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ABSTRACT

Recommendations are developed in this 1976 annual report of the Advisory Council on Developing Institutions to enhance the effectiveness of the current Title III program, and to enable the affected schools to enter the mainstream of American higher education. This report covers: the functions and activities of the council; the continuing need for assistance; provisions of Title II; developments during 1976; and a report on Title III benefits to minorities. Appended are data on awards by institution, funding by state, maps of grantee and participating institutions, maps of students at those institutions, the authorizing legislation, and regulations. (LBH)

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STRENGTHENING DEVELOPING INSTITUTIONS

TITLE III OF THE HIGHER EDUCATION ACT OF 1965

U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
NATIONAL INSTITUTE OF EDUCATION

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HE009398

ADVISORY COUNCIL ON DEVELOPING INSTITUTIONS

ANNUAL REPORT

MARCH 1977

STRENGTHENING DEVELOPING INSTITUTIONS

TITLE III OF THE HIGHER EDUCATION ACT OF 1965

ANNUAL REPORT

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ADVISORY COUNCIL ON DEVELOPING INSTITUTIONS

U.S. OFFICE OF EDUCATION
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Washington, D.C. 20202

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
WASHINGTON, D.C. 20202

March 31, 1977

Honorable Walter F. Mondale
President of the Senate
Washington, D. C.

Dear Mr. President:

On behalf of the Advisory Council on Developing Institutions, I am pleased to submit to you its Annual Report for calendar year 1976.

During this past year of the American Bicentennial, the Council devoted much of its time to examining not only the historical role which our developing institutions have played in American higher education, but also the long-range needs of these colleges and universities which provide such a vital service to the Nation. In fact, the future of the Title III program and the Federal role in expanding institutional support for higher education remain the number one concern of the Council.

It is in this context in which we have developed a set of recommendations which we believe, if adopted, will enhance the effectiveness of the current Title III program and--even more importantly--begin some realistic "next steps" to enable these schools to enter the mainstream of American higher education. We urge your vigorous review of these recommendations.

We again express our gratitude to staff members of the Office of Education who so competently and generously shared their knowledge, time, and energies to assist the Council in discharging its functions.

It is the Council's sincere hope that this report will help stimulate widespread discussion and a national determination to continue and expand the Federal commitment to developing institutions. These schools represent a vital resource in our goal to provide equal access to a higher education for our disadvantaged and minority--and indeed all--deserving American students.

Sincerely yours,

Samuel M. Nabrit
Chairman, Advisory Council
on Developing Institutions

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
WASHINGTON, D.C. 20202

March 31, 1977

Honorable Thomas P. O'Neill, Jr.
Speaker of the House of Representatives
Washington, D. C.

Dear Mr. Speaker:

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DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
WASHINGTON, D.C. 20202

March 31, 1977

Dr. Ernest L. Boyer
U. S. Commissioner of Education
U. S. Office of Education
Washington, D. C.

Dear Commissioner Boyer:

On behalf of the Advisory Council on Developing Institutions, I am pleased to submit to you its Annual Report for calendar year 1976.

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PREFACE

The close of the two hundredth anniversary of our Nation's founding is a particularly appropriate time to recall some milestones in the Federal role in American higher education.

Over one hundred years ago--in 1862--the first Federal commitment to higher education was made with the donation of lands under the original "Land Grant College Act".

World War II prompted the next great Federal innovation in postsecondary education in the form of the G.I. Bill which enabled millions of Americans for the first time to view a college education as a normal expectation rather than a benefit of affluence.

The advent of the Space Age in the 1950's launched the National Defense Education Act of 1958 under which a new Federal involvement took the form of student loans, fellowships for teachers, and assistance in other specialized areas critical to the "national defense" such as foreign language and area studies.

In 1963, recognizing the acute need for classrooms and laboratories to enable our colleges and universities to cope with the dramatic growth in enrollments, Congress enacted the Higher Education Facilities Act.

And in 1965 Congress responded to a call for more comprehensive assistance with the Higher Education Act which, along with subsequent amendments, initiated the national policy of making access to postsecondary education a reality for our economically disadvantaged students.

In summary, Federal support for higher education programs has increased from $660 thousand in 1890 under the second "Land Grant College Act" to $9.9 billion in fiscal year 1976. This 1976 outlay figure includes $3.9 billion for programs whose primary purpose is education (such as the Higher Education Act) and $6.0 billion for programs directed towards multiple purposes (such as veterans readjustment assistance).

Thus, although the nature and extent of Federal attention to the needs of higher education have varied over this hundred-year period--with shifting emphases between institutional support and student aid--the government has acknowledged a Federal commitment, and it has continued the precedent of providing funds to support higher education.

It was within the 1965 legislation that the Title III program was created--to strengthen that group of smaller colleges and universities which, for reasons beyond their control, are not realizing their full potential, which are struggling for survival, and which are isolated from the mainstream of academic life.

The number of developing institutions approximates one-third of the Nation's colleges and universities. They are located throughout the Nation, in urban ghettos and rural areas. They are four-year liberal arts schools and two-year community colleges. They are public and private. They are predominantly black and predominantly white; and they are Native American and Spanish-speaking. Indeed, they are as different as they are numerous. But they share in common a potential and eagerness to develop and a desire to continue their contributions to American higher education.

Former U. S. Commissioner of Education T. H. Bell recently used two key words to describe both the Federal role in education and the role of education itself in American life--quality and equality. He meant that we must help all students, and especially the minority and disadvantaged, to obtain a quality education through equality of opportunity.

If we are truly serious in our pursuit of these two goals of quality and equality, we must keep in mind an element which is crucial to their success--the need to maintain that diversity which has characterized American higher education over the past two hundred years. We need our small four-year schools and our two-year community colleges as well as our large prestigious universities and graduate schools.

Moreover, we have reached a point where our complex society is demanding a dual service from our colleges and universities: First, to provide sound preparation for successful career opportunities; and second, to provide educational experiences to understand better the economical, social, technological, and cultural forces which will enhance life for individuals and society.

The need for our developing institutions is clear.

The need to assist them is clear.

And the need for a Federal role is clear.

We are confident that, with the necessary Federal commitment, our developing institutions will be ready for the challenges imposed by a Nation of many ethnic groups, many talents, and many aspirations entering its third century.

THE COUNCIL--ITS FUNCTIONS AND ACTIVITIES

Purpose and Functions

The Advisory Council on Developing Institutions is established by Section 303 of the Higher Education Act of 1965, as amended, to assist the U. S. Office of Education in carrying out the Developing Institutions Program under Title III of that Act. The Council is responsible for advising the Congress, the Secretary of Health, Education, and Welfare, the Assistant Secretary for Education, and the Commissioner of Education. Section 303 specifies that functions of the Council shall include assisting the Commissioner in (1) identifying developing institutions through which the purposes of the program may be achieved, and (2) establishing the priorities and criteria to be used in making program grants.

The Council consists of nine members appointed by the Commissioner with the approval of the Secretary of Health, Education, and Welfare. It is governed by Part D of the General Education Provisions Act and the Federal Advisory Committee Act which set forth standards for the formation and use of advisory committees.

Meetings

The Council is required to meet at least twice each year with sessions open to the public. Following is a list of meetings of the Council which were held during calendar year 1976.

January 21 and 22, 1976
Federal Office Building No. 6
400 Maryland Avenue, S. W.
Washington, D. C.

March 2, 1976
Regional Office Building
7th and D Streets, S. W.
Washington, D. C.

October 18, 1976
Regional Office Building
7th and D Streets, S. W.
Washington, D. C.

October 19 and 20, 1976
Federal Office Building No. 6
400 Maryland Avenue, S. W.
Washington, D. C.

The Advisory Council is extremely pleased with the impressive public attendance at its meetings. During 1976 this involved representatives from four-year and two-year institutions, higher education associations and organizations, other Federal agencies, and interested citizens. The Council is especially gratified by their participation in the discussions, and views their various perspectives and particular insights as valuable contributions in maintaining an open dialogue on the operation and goals of Title III.

Activities and Areas of Special Attention

The Council devoted a considerable amount of time in 1976 to a review of the first ten years of the Title III program--and especially to the following two issues which logically emanate from such a review: (1) The need for continuing support to those institutions under the Advanced Program which are nearing the end of their grant periods; and (2) the over-all need for institutional assistance to higher education. These issues are treated individually in the Findings and Recommendations section of this Report.

Of particular interest to the Council were progress reports of consortia under both the Basic and Advanced Programs which are providing developing institutions with coordinated on-campus technical assistance in order to improve their management capabilities and enhance their over-all development. Presentations by representatives from the assisting agencies of the consortia reviewed their organization, objectives, and strategies; and described how their services are helping institutions strengthen and improve in such areas as academic planning and curriculum development; enrollment development, retention, and student aid; personnel and fiscal resources; and planning, research, and evaluations.

Examples of other topics to which the Council addressed itself in 1976 included (1) targeting Title III funds to institutions serving large proportions of disadvantaged and minority students; (2) the need for transitional planning funds to enable schools to move from the Basic to the Advanced Program; (3) the status and effect of legislative amendments to the Title III program; (4) the status of the evaluation project currently underway to develop a series of statistical profiles of developing institutions; and (5) implementation of site visits to Title III institutions by Advisory Council members to obtain some insights and first-hand perspectives of Title III in operation. A special section of this Annual Report entitled "Report on Title III Benefits to Minorities" is devoted to issue number (1) above.

THE CONTINUING NEED FOR ASSISTANCE

America's colleges and universities, at the beginning of its third century, are facing challenges which are more difficult, more complex, and more critical than ever before. In fact, the demands now placed on them by society are unparalleled to any in the previous two hundred years of our Nation.

Former Commissioner of Education Bell summarized this situation in a recent speech:

> "Schools and colleges are expected to offer just about every kind of training and experience that young people will need to make their way in a society that offers 23,000 occupational choices and--so it seems at least--about as many lifestyles and points of view."

Indeed, a dual role for America's higher education institutions has gradually emerged over recent years. First, they must effectively prepare students for successful vocational careers. Secondly, and just as important, they must provide them with the educational experiences and values which will enhance and enrich their lives and their contributions to society.

Our developing institutions are indeed an indispensable national resource if we are to realize this lofty goal.

In its past reports, the Advisory Council has emphasized and articulated ten specific elements which constitute a total, comprehensive statement of need for a Federal commitment to the Nation's developing institutions. In order to re-emphasize this need, the Council reiterates these arguments in the following summary.

1. Developing institutions, with their high proportions of disadvantaged and minority students, are playing a vital role in our efforts to attain our goal of providing <u>equal access to postsecondary education for every deserving American citizen</u>. Although minorities in 1970 constituted 16.8 percent of the U.S. population, they represented only 10.6 percent of undergraduate enrollment and 5.8 percent of graduate and professional school enrollment.

2. Continued diversity of our colleges and universities--their programs, curricula, experiences, and students--is necessary if we are to address successfully such national problems as unemployment, energy conservation, urban development, protection of the environment, and transportation.

3. Developing colleges number about one-third of the Nation's 3,000 higher education institutions. Characteristically, they are limited in their ability to attract students, to engage outstanding faculty, to offer diverse curricula, and to acquire adequate physical and financial resources; but they also share an eagerness to develop and to continue their contributions to society.

4. Developing institutions are a crucial element in another national goal--to invest wisely in human capital development so that the potential gains in revenue such as income, property, and sales taxes can outweigh governmental expenditures in such areas as welfare and rehabilitation.

5. It is imperative to maintain the positive, forward momentum in improving the quality of education offered by our developing colleges so that we do not lose the Title III investments that have been made over the last decade.

6. The current financial crisis in higher education--in which inflation and increased enrollments have forced most schools, even our wealthiest, to operate at a deficit, curtail services, invade endowments, or close their doors--is even more intense for the smaller, poorer, more isolated colleges with little or no endowments, gifts, or sources of grants.

7. Large proportions of disadvantaged and minority students impose an additional financial burden on developing institutions because of their need for costly special services such as remedial education, revised curricula, and counseling and guidance.

8. Since tuition by itself does not support the total costs to an institution, efforts by small schools to expand enrollments and student aid programs will not alone solve their financial problems. This is especially true for developing institutions where tuition charges are already lower than at their more prestigious counterparts.

9. An untold financial burden in the form of replacement costs would be placed on the Nation if our developing institutions closed their doors. The costs of expanding other institutions or creating new ones to accommodate students from developing schools would be far greater than the investments currently being made.

10. An overwhelming demand for Title III funds is evidenced by the fact that institutions have requested almost $2.6 billion under the program since its inception, compared with $618 million, or 24 percent, that has been available in Federal appropriations.

The financial plight of higher education can be viewed from yet another perspective--that of the individual types of institutions. To illustrate, we use as examples two types--private four-year liberal arts colleges, and two-year community colleges.

The economic distress encountered by the approximately 700 small private liberal arts colleges in the Nation is evidenced by some dramatic statistics. From 1966 to 1970 the ratio of openings to closings of all private institutions was roughly six to one--119 opened, and 19 closed, merged, became public, or changed their missions. A drastic change occurred from 1971 through 1975 when 103 opened and 63 closed, a ratio of about 1.5 to 1. Fifty of these 63 were small private liberal arts colleges.

In 1974-75, the avarage student cost--including tuition and fees, room and board, books and supplies, and necessary travel and personal expenses--totaled $2,232 for a public four-year institution compared to $3,942, or twice as much, for a private four-year school. Per-student operating costs tell the same story. Such costs in the small private colleges in 1965 were actually $266 less than in public institutions; but by 1972 they exceeded the public colleges by $190 and appeared headed toward a differential of $630 by 1975.

An unending cycle engulfs these schools. Inflation-driven operating costs force them to raise tuition rates, resulting in enrollment losses to public institutions. This again increases per-pupil costs, thus starting the cycle anew. Moreover, higher tuition charges invariably result in increased demand for student aid, causing a reduction in funds available for institutional purposes at a time when private sources of endowments and gifts are diminishing.

Two-year community colleges, both public and private, are also encountering difficult economic circumstances. These schools have grown at a phenomenal rate. Although the first one appeared on the scene only about 75 years ago, there are now more than 1,200. Moreover, one of every three college students in the United States attends a community college, and half of all persons who enter postsecondary education enter it in a community college.

Their statistics on disadvantaged and minority enrollments are also impressive. About 40 percent of community college students come from families with incomes below $10,000; and they enroll 75 percent of the Spanish-speaking college students, 25 percent of the American Indian students, and 33 percent of the non-white students.

Indeed, the acceptability and vital role of the community college in meeting the broad and varied needs of our citizens from youth to old age are unchallenged. But many of these schools need additional support to develop their staffs and programs so that they can meet the rapidly increasing demands of diverse student bodies and communities.

Each of these types of institutions--and indeed all developing institutions--has a unique contribution to make to our American way of life.

The question is not whether we can afford to help our developing institutions, but whether we can afford to be without them.

PROVISIONS OF TITLE III

Title III of the Higher Education Act of 1965, as amended, authorizes "a program of special assistance to strengthen the academic quality of developing institutions which have the desire and potential to make a substantial contribution to the higher education resources of the Nation but which are struggling for survival and are isolated from the main currents of academic life." The law specifies that 76 percent of each year's appropriation be used for four-year colleges and 24 percent for two-year colleges.

To determine whether a school meets the definition of "developing institution," both quantitative and qualitative criteria are applied. Quantitative factors include such items as full-time and full-time equivalent enrollment, percent of faculty with graduate degrees, faculty salaries, percent of students from low-income families, total educational and general expenditures, and numbers of library volumes. Qualitative measures include, for example, the academic standing and progress of students, professional quality of personnel, and institutional vitality and viability (using such factors as fund raising capability, planning capability, and the institutional development plan).

Basic Institutional Development Program

The Basic Institutional Development Program attempts (1) to narrow the gap between small weak colleges and stronger institutions, and (2) to prepare them for participation in the Advanced Program. This is achieved by emphasizing the development of strengths in five principal categories of institutional support--administrative improvement, faculty development, curriculum development, student services programs, and development programs--in one of the following forms:

(1) Cooperative arrangements under which the developing institutions draw on the talent and experience of the stronger colleges and universities, on the educational resources of business and industry, and on the strengths of other developing institutions in an effort to improve their academic programs, their administrative and management resources, and their student services. Types of

arrangements are (a) bilateral arrangements between the developing institution and another institution or agency, and (b) consortium arrangements between at least three developing institutions, which may also involve other institutions and agencies. Funds support such activities as exchanging faculty and students with other institutions, bringing visiting scholars to developing institutions, providing staff improvement programs, introducing new curricula, developing cooperative education programs, joint use of library and laboratory facilities, purchasing materials and equipment, and obtaining specialized personnel in such areas as research and management.

(2) National Teaching Fellowships which are awarded by developing institutions to junior faculty members and graduate students from other institutions, to teach at developing institutions.

(3) Professors Emeritus Grants which are awarded by developing institutions to retired professors or other skilled higher education personnel to assist in teaching, conducting research, and providing other professional services.

Fellowship awards and Professors Emeritus Grants may be independent of, or in conjunction with, cooperative arrangements.

Advanced Institutional Development Program

The Advanced Institutional Development Program, first implemented in fiscal year 1973, provides grants to developing institutions with a potential for accelerated development to expedite their progress towards achieving both operational and fiscal stability and participation in the mainstream of American higher education.

Whereas the Basic Program continues to emphasize the development of strengths in five principal categories of institutional support--administrative improvement, faculty development, curriculum development, student services programs, and development programs--the Advanced Program is a major effort in total development. Cooperative arrangements are supported for curriculum development, student services including academic and career counseling, and faculty and administrative improvement programs.

Institutions must develop a five-year plan which includes (1) a description of programs and objectives, (2) a proposed budget and allocation of funds, (3) a statement of institutional development goals, (4) a general strategy for replacing Title III funds at the end of the grant period, (5) a description of the institution's planning and management capability, and (6) a plan for evaluating progress in meeting the institution's goals and objectives.

In selecting institutions for participation, priority is given to those who are likely to best carry out one or more of the following objectives:

(1) The provision of training in professional and career fields in which previous graduates of developing institutions are severely under-represented.

(2) The addition of substantial numbers of graduates of developing institutions prepared for emerging employment and graduate study opportunities.

(3) The development of more relevant approaches to learning by utilizing new configurations of existing curricula as well as a variety of teaching strategies.

(4) The development of new or more flexible administrative styles.

(5) The improvement of methods of institutional effectiveness so as to increase the fiscal and operational stability of the institution and improve its academic quality.

It is expected that the significantly larger size of these Advanced Program grants will accelerate the institutions' development, and that multi-year commitment of funds will enable schools to plan more effectively their resource allocation.

The basic legislation for Title III is included in Appendix M of this Annual Report; and Regulations for the program, which provide details on eligibility criteria and selection factors, are included in Appendix N.

DEVELOPMENTS DURING 1976

LEGISLATIVE AMENDMENT

One of the legislative requirements for participation in the Title III program is that an institution, during the five years preceding its Title III support, be accredited by a nationally recognized accrediting agency or association or is, according to such agency or association, making reasonable progress toward accreditation. The law allows the Commissioner to waive this five-year requirement for institutions serving substantial populations of American Indians. Prior to October 12, 1976, the law further provided that funds used for institutions receiving the waiver could not exceed 1.4 percent of each year's Title III appropriation.

Congress, in the Education Amendments of 1976 (Public Law 94-482, approved October 12, 1976) eliminated this 1.4 percent limitation on funds used for Title III institutions which receive the waiver as a result of their increasing higher education opportunities for American Indians.

The Advisory Council, in its previous Annual Reports, recognized the special need for programs serving American Indian students, and recommended elimination of the 1.4 percent limitation. It expressed its concern that this could provide an undue restriction on the part of the Office of Education in carrying out the real legislative intent of the waiver; and contended that percentages of participation by special target groups should be based on their particular needs, in relation to total resources available, in any specific year.

The Council commends the Congress and the Administration for their support of this amendment.

BASIC INSTITUTIONAL DEVELOPMENT PROGRAM

Over $418 million has been made available under the Basic Institutional Development Program during the eleven years of Title III (fiscal years 1966 through 1976). Some 623 developing colleges have received direct Title III awards from the Office of Education, and an additional 443 institutions have participated in Title III consortia coordinated by the grantee institutions. In 1976 alone, the total enrollment at the 203 directly funded developing institutions under the Basic Program totaled almost 355 thousand. One hundred twenty-nine institutions have received accreditation status during their period of Title III funding.

A review of fiscal year 1976 awards under the Basic Program by type of institution shows that funds were distributed as follows: Private four-year institutions, 49 percent; public four-year institutions, 27 percent; public two-year institutions, 20 percent; and private two-year institutions, 4 percent. In that same year, predominantly black colleges received 49 percent of the funds, and predominantly white colleges, including those with programs for American Indians and Spanish-speaking, were allocated 51 percent of the funds. Within this latter allocation, over $4.6 million was granted to 31 developing institutions for programs serving large numbers of Spanish-speaking students; and more than $4.2 million was awarded to 27 developing schools for programs with high proportions of American Indian students.

Appendices B through L provide more detailed statistical data on Title III, including the types of schools and programs supported, as well as information on State distributions of funds awarded and numbers of grantee institutions.

The major thrust of the Basic Program has been to help institutions develop the basic strengths needed to attain secure status and vitality. To do this, Title III funds have been granted for programs in faculty growth, curriculum improvement, administrative development, and student services. Although the Basic Program grants have represented a small portion of an institution's operational budget, they have aided significantly in meeting immediate and fundamental needs. The greatest impact has resulted from in-depth emphasis on the following kinds of efforts:

(1) Increasing enrollments through the establishment of recruitment and admissions offices and the training of financial aid officers.

(2) Improving student services through the development of counseling and guidance programs and the appointment of placement officers.

(3) Enhancing the curriculum by introducing special programs in reading and teaching the disadvantaged and by providing opportunities for cultural enrichment.

(4) Linking undergraduates with graduate institutions to improve readiness for graduate school through cooperative arrangements and student and faculty exchanges.

(5) Increasing the number of faculty with doctorates through programs in faculty development utilizing National Teaching Fellows and Professors Emeriti.

(6) Establishing development offices to improve fund-raising capability and income resources.

In order to illustrate the kinds of accomplishments and progress made by developing institutions under the Basic Program, the following descriptions of six ongoing projects are provided.

Four-Year Private College

A small, private four-year college, the oldest higher education institution in its State, began a new era of development several years ago when it opened all its classes to women and, a little later, achieved racial integration. The college's mission is to provide a general liberal arts program with special focus on minority and disadvantaged students from the local and regional communities.

With Title III support, the college has developed a comprehensive career-oriented curriculum planning program under which it has implemented new courses and course revisions in its Divisions of Social

Sciences, Natural Sciences, Humanities, and Professional Studies. These are designed to upgrade the academic experience, serve the specific needs of students, and fulfill the educational objectives of the college.

Other programs being implemented with Title III funds involve career counseling and development, institutional planning and research, a management information system, and faculty development.

Native American Community College

A Native American community college, through the operation of a subsidiary center with Title III funds, is providing higher education opportunities to residents on an Indian reservation.

Class enrollments at the center in 1976 increased by more than 50 percent over the previous year. Students ranged from 18 to 58 years in age, of which the majority were female and about one-half were 24 years and older.

Major objectives of the center are as follows: (1) To provide an integrated program of basic academic disciplines as well as vocational training for employment. (2) To offer a program unique to its Indian clientele including experimental education and courses in Indian studies such as history, literature, law, and language. (3) To serve as a nucleus for reservation and community development activities such as job placement services and workshops on business procedures and tax laws. (4) To become, eventually, an independent college on the reservation.

Two-Year Public Institution

A two-year public institution, founded in the last decade in an inner city in the North, has used Title III funds to establish a learning skills center--an urban campus college service designed for students in need of remedial assistance.

The college is located in a poverty area and enrolls a large number of educationally disadvantaged students who lack an adequate preparation for higher education. Therefore, the goal of the center is to provide urban residents an opportunity to take college courses and, at the same time, give them competent skills in reading, writing, and mathematics, and other basic learning and basic study skills essential for college and career success. In addition to regular courses and tutorial sessions, special workshops and seminars in basic skills are conducted; and printed guides for faculty and students on basic studies skills are provided.

The center began operation in 1974 with 40 students; by the spring of 1976 enrollment had increased to more than 300.

Consortium

Two predominantly black colleges and two predominantly white institutions have joined together to: (1) Establish on each campus a center to provide specialized instruction for students with defined academic and personal deficiencies, (2) plan curriculum adjustment appropriate for enrolled and anticipated enrolled students, (3) improve the administrative and academic leadership, and (4) exchange and cooperatively share cultural activities and other student support services.

Each college carries out individual programs and participates in several consortium-wide projects. Students, faculty, staff, and administrators have participated in workshops and enrichment activities. Professional consultation has been used and resulted in acquiring services that ordinarily would not be available.

Four-Year Private College

A four-year private college in one of the fastest growing cities in Puerto Rico serves approximately 2,000 educationally and economically deprived students through a special career oriented system of higher education. The curriculum combines the first two years of general liberal arts and humanities courses, with courses in the students' major fields. Students receive an associate degree at the end of two years, after which they may seek employment and/or continue their studies toward a bachelor's degree.

The college is using Title III funds to establish and maintain the following types of activities: (1) A guidance center to provide special services to children of returning Puerto Rican migrants who have real problems adjusting to the Spanish language, culture, and conditions of the island; (2) a learning resource center to provide programs in study skills, reading, and writing and oral communication; (3) a curriculum improvement program to enable faculty to develop independent, self-study modules and supplemental materials in Spanish for students needing compensatory work; (4) a student placement office to provide job placement services to students graduating and to those seeking part-time employment while studying; and (5) visiting scholars who strengthen the curricula by offering new courses, conducting research, and helping to develop and revise the curriculum.

Four-Year Public College

A small teachers' college in the inner city of a Midwestern State is using Title III funds to establish a management information system on its campus.

The computer based system will collect and communicate data on students' programing of competency-based and traditional education programs. This will be expanded to involve an institutional management system under which faculty and students will develop skills to conduct meaningful research in the areas of urban education.

The overall goals of the systems program are directly related to three areas of need: First, the need for improved management of information required for internal decision-making; second, the need for systematic collection and processing of data required for reports to external local, State, and Federal agencies; and third, the need for systematic procedures which address the unique requirements of a competency-based instructional program.

ADVANCED INSTITUTIONAL DEVELOPMENT PROGRAM

The Advanced Institutional Development Program was implemented in fiscal year 1973 to accelerate development of a few developing institutions which are at a relatively advanced stage and for which a large input of Federal funds over several years will move them rapidly towards self-sufficiency.

During the first four fiscal years--1973 through 1976--115 developing colleges located in 35 States were awarded $199.5 million in Advanced Program grants. Eighty-six of these institutions were previously funded under the Basic Program; and 29 had never before participated in Title III.

Thirty-two new awards and two technical assistance consortia totaling $58 million were made during fiscal year 1976. Of the 32 new awards, 22 are four-year institutions and ten are two-year colleges. Public and private schools are represented equally, with sixteen from each sector. Amounts of individual Advanced Program grants ranged from $1 to $3 million.

An analysis of Advanced Program funds benefitting minorities over the four years shows that over $110.8 million has been made available to predominantly black institutions. Also, some $10.6 million has supported programs for Spanish-speaking persons, and almost $2.1 million has funded programs for Native Americans.

The following six examples have been selected to illustrate the ways in which the institutions participating in the Advanced Program are addressing their high priority needs and are focusing on total institutional development.

Each of the funded programs described is related to the institution's mission and establishes means for achieving short or long-term institutional goals set by the grantee. Moreover, the activities are coordinated in such a manner with ongoing activities that they complement each other and provide a comprehensive institutional effort at total development. Each institution includes among its activities a planning, management, and evaluation activity which is designed to develop a system of comprehensive information gathering and analysis that will

allow top management to focus attention upon policy questions, long-range planning, and determination of resource allocation. No one of the activities in and of itself would substantially develop the grantee college. Viewed in the context of the present strength and activities of the college, however, the three to five year Advanced Program grants hold promise that the schools will have been provided a substantial push toward the academic mainstream.

Four-Year State College

A four-year State college in a Mid-Atlantic State, based on an assessment of its mission and the needs of its students, is directing its attention to making higher education both more accessible and continuous.

An analysis of projected manpower needs of the area, the State, and the Nation indicated that the college should strengthen and broaden its present offerings in science and applied sciences, health and health related studies, education, social science related studies, business, and the arts and humanities. Therefore, the college is using its Title III funds to strengthen these areas and to offer new programs and specialties within these categories that relate to new opportunities and emerging careers. These include programs built around human environment and resources, the health sciences, and business and technology.

Examples of specific activities being supported are: A Human Resources and Environmental Cluster, a Health Sciences and Services Cluster, a Business and Technology Center, a Journalism Sequences Development Program, a Computer Sciences Emphasis Program, a Multicultural Education Project, a Library/Media Technical Assistance Program, and a Career Orientation for General Education Students Project. Faculty development and curriculum improvement are integral parts of each of these.

Public Community College

A public two-year community college in a Southwest city is strengthening five general areas under its Advanced Program grant.

Achievements in the Curriculum Development and Improvement activity are outstanding. Eleven new programs are being developed--auto body repair, consumer and home economics, diesel mechanics, electro-mechanics, geology, organic chemistry, physical education, pre-engineering, real estate, restaurant/hotel management, and vocational accounting. Curricula are being revised, learning modules are being prepared, and bilingual teaching materials are being developed in a number of courses: Air conditioning, auto mechanics, biology, child development, construction management, dental hygiene, drafting, English, arts, life sciences, mathematics, medical sociology, mental health, nursing, political science, psychology, respiratory therapy, secretarial science, Spanish, and technical writing.

Other areas of support are (1) Improved Management Practices which is increasing institutional effectiveness through the development of informational systems and administrative competencies; (2) Student and Instructional Support Services which is providing a variety of services aimed at reducing deterrents to student success such as a faculty advising system and peer tutoring; (3) Institutional Response to Community Needs which is systematizing and individualizing such courses as radio/television repair and optical lense grinding; and (4) an Office of Institutional Research which is conducting long-range planning and evaluations.

Four-Year State University

A four-year State-controlled urban university in the South is seeking to continue its growth as a multicultural institution and to improve the quality of both its academic program and its administrative capabilities.

Its Advanced Program grant will enable the university to accomplish more fully its mission by implementing a comprehensive management system, providing students with urban career orientation, establishing new degree programs, developing an effective university relations program, and producing quality learning experiences for students and faculty.

Five major inter-related components essential to advanced development are being funded: An Administrative Improvement Program, Student Personnel Services, a Center for Urban Affairs, University Relations, and Career Education for Faculty.

The Center for Urban Affairs is developing new courses to prepare students for employment in urban areas. It is providing internships to make students aware of the urban community, conducting research to identify community needs, and making available the expertise and resources of the university to the community, thereby increasing the school's involvement in, and acceptance by, the city. Grants are also provided for faculty who need to engage in short-term study in urban-related fields. New urban studies programs to be instituted include Community Organization Development and Planning, and Urban Delivery Systems.

Closely related to the Center is the New Careers Program which is providing opportunities for students to enter new academic fields, particularly those in which the university's alumni are severely under-represented. These include environmental science, speech pathology and audiology, pre-professional health careers, mass communications, meteorology, geology, legal studies, public administration, and historical preservation careers.

Private Junior College

A private junior college in a large Midwest city is undertaking five major areas of improvement with its Advanced Program grant.

The largest and most complex of these endeavors is the Curriculum and Instruction activity which is, among many functions, (1) developing and implementing a variety of approaches to individualization and thereby increasing the scope and variety of instructional-evaluative experiences available to students; (2) developing and piloting interdisciplinary and interoccupational educational experiences; and (3) conducting an intensive study of the organizational structure, roles, curriculum renewal processes, program efficiency, and viability of the college's technical education programs.

The Management Technology activity, devoted to laying the groundwork for a full-service development office, is monitoring a number of variables such as the following to determine the impact of Title III on the college: Heterogeneity of the student body; planning, management, and evaluation capability of the college; institutional mission and goals; student achievement and persistence, and their perceptions as related to change; faculty perceptions and expertise; and quality of instruction.

Other major areas are Student Personnel Services, which includes a program of peer tutoring and counseling; Community Service which emphasizes continuing education; and Faculty Development which focuses on the organizational and personal/professional aspects of personnel development.

Four-Year Private College

A small, private liberal arts college in the South is supporting eight individual components in its overall comprehensive institutional development effort.

The Language Activity provides freshmen students intensive and concentrated exposure to communication skills so that they will attain a competency in language use which is necessary for adequate college performance.

The Mathematics Activity provides freshmen a concentrated grounding in quantitative mathematics skills. Together with the Language Activity, this lays the groundwork for college curricula.

The Learning Laboratories Activity provides laboratories for the Language and Mathematics Activities so as to produce students better trained in the execution of the skills inherent in the subject matter of their choice.

Other activities funded include Curriculum, Management Information Services, Institutional Development, the Bridge component to provide a better understanding by the student of himself and his relationship to the economic world, and the Enhancing Programs component to strengthen planning and evaluation and goals attainment.

Four-Year Public University

A four-year public university in the Southwest is using its Advanced Program grant to undertake five major activities.

(1) Planning, Management, and Evaluation is focusing on data collection and management techniques for long-range planning and policy analysis.

(2) Fiscal Development is strengthening the institution's financial base by developing policies and procedures for such activities as purchasing, property accounting, and collection of fees.

(3) Administrative Development is analyzing the organizational and administrative structure of the school through the development of charts and statements on functions and job descriptions.

(4) Teacher Development is providing a quality undergraduate education by restructuring curriculum to the performance-based approach of teachers.

(5) Student Development is increasing the number of students able to pay for a larger share of their education as well as lower income students of high ability; increasing the representation of Anglo- and Mexican-American students; expanding opportunities for continuing education for all groups; and providing wider career information counseling and occupational education and training.

TITLE III BENEFITS TO MINORITIES

The United States Senate, in its Report on the fiscal year 1977 appropriation for the Office of Education,[1/] expressed its concern "that educational institutions participating in the title III Developing Institutions program are selected consistent with the purposes of the program." It directed the Commissioner to submit a comprehensive report on (1) the minority populations served under the program, including a detailed description of the award selection process, and (2) recommendations on how the selection process might be improved to better assure that each applicant institution is fairly treated with regard to its minority student enrollment.

In view of the widespread interest in the participation of minorities in the Title III program, the Council conducted its own review of this area with particular attention given to the report prepared by the Office of Education in response to the Senate directive. In order to reflect the Council's continuing concern regarding the appropriate Title III involvement of all disadvantaged and minority groups, it is devoting this special section to the Office's report to the Senate. The Council feels that this document fully and clearly describes the Office's administration of Title III, including review procedures and criteria used in making funding decisions for individual institutions. The volume of data included in the report was extensive, but represented a conscientious effort to be fully responsive to the Congressional inquiry.

Following is the Council's summary of the Office of Education report.

Award-Making Process

The award-making process for Title III includes a thorough and exhaustive evaluation of institutional applications by field readers, by the Title III program staff at headquarters, by post-secondary education staff in the Office of Education regional offices, and by the staff of the Office's Community College Unit for proposals from two-year colleges. The panels of field readers

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1/ U. S. Senate Appropriations Committee Report on Departments of Labor and Health, Education, and Welfare and Related Agencies Appropriation Bill, 1977; Report No. 94-997, dated June 26, 1976.

consist of persons knowledgeable in the higher education sector in general, and developing institutions in particular. They represent a peer group for developing institutions including a cross-section of ethnic and minority groups, geographic regions, and faculty and administrative personnel from developing institutions, assisting institutions and agencies, professional education associations, and businesses. The review teams are also balanced in terms of knowledge of and sensitivity to the needs of colleges serving low-income and minority students, knowledge of planning, management, and evaluation systems, familiarity with small college administration, and background in development of majors and courses in new careers.

The percentages of students from low-income families is one of the eight factors considered in determining the eligibility of an institution to participate in the Title III program. (See Section 169.12 of the Title III Regulations which are included as Appendix N of this Annual Report.) The Regulations define a low-income family as one whose adjusted family income is less than $7,500. Historically, low-income and minority students are attracted to and come from predominantly developing institutions; therefore, funding consideration is given to those institutions whose students come from low-income families.

In evaluating an application, the reviewer analyzes the number and percentage of low-income students served by the institution as well as specific cooperative arrangements of programs designed to meet the educational needs of those students. Since a disproportionate number of low-income students are from minority groups, the size of an institution's minority enrollment is also taken into account in making the final funding decisions.

The largest low-income minority in developing institutions has been, and still is, the black group. This is not surprising in view of the fact that 80 percent of the enrollment at predominantly black institutions is low income. Although Spanish-speaking and Native Americans have always been included in the provisions of Title III, it is only recently that emphasis under the Basic Program has been placed on these two groups. This new emphasis has been made possible by legislative amendments to Title III which allow the Commissioner to waive, for those institutions located on or near Indian reservations or enrolling substantial numbers of Spanish-speaking students, all or part of the requirement that an institution must have been in existence for five years to participate in the program.

Comparative statistics on Title III awards show that by far the greatest number of grants and the largest dollar amount have gone to black schools while the least has gone to programs for Native Americans, reflecting the relative sizes of populations of these groups. However, it is expected that the proportion of Title III grants to institutions serving Native American and Spanish-speaking students will substantially increase as more of those institutions become eligible under the program. In fact, in fiscal year 1976, half of the 20 new awards under the Basic Program were to support programs designed to serve Spanish-speaking and Native American students.

In the Advanced Program, 15 of the 32 grants made in 1976 were for minority institutions--of which 13 were predominantly black, one was Spanish-speaking, and one was Native American. The small number in these latter two categories reflects the fact that only four applications were received from this group of schools, of which one was not qualified for the Advanced Program. In order to increase Advanced Program participation of institutions serving Spanish-speaking and Native American students, the Office of Education plans to encourage actively such schools to apply for grants, especially those which are currently under the Basic Program and could qualify for an Advanced Program grant.

It is important to note that the minority enrollment factor is not utilized in rating an application. The rating form does provide that the field reader indicate whether a proposal is especially directed toward serving blacks, Spanish-speaking, or other groups; but this is for information purposes only, and is applied only at the end of the evaluation process after the initial funding decisions are made. At that point, if necessary, the list of proposed grants may be adjusted to ensure adequate representation of institutions serving minorities, especially Spanish-speaking and Native American students. This policy reflects Congressional intent as expressed by enactment of the waiver provisions for those two groups. It should be emphasized, however, that such an adjustment would be made in favor only of strong program proposals which would effectively accomplish the purposes of Title III. A weak, ineffective proposal would not be funded merely because it is designed to serve a minority group or is submitted by an institution with a large minority enrollment.

As a result of a recent re-examination of its total awards procedure, the Basic Program plans to implement several changes in fiscal year 1977 in order to improve its review process. One of these changes specifically requires that each application will be

evaluated by two field readers who represent the constituency and type of institution under review. For example, a college with a predominantly Native American population will have at least two Native American field readers representing a two- or four-year institution as appropriate; and a school reflecting a Spanish-speaking student body will have at least two Spanish-speaking field readers representing a two- or four-year school, as appropriate.

No changes are currently contemplated in the awards procedure for the Advanced Program. All major minorities--Black, Hispanic, and American Indian--are represented on each field reader panel. Moreover, the selection process for the Advanced Program is under continual, searching scrutiny by the Office of Education staff, with suggestions for improvement solicited from consultants, reviewers, and institutional clientele.

Summary of Minority Role

During the early years of the Developing Institutions Program, a large percentage of grants went to predominantly black institutions. This is a quite understandable fact when one considers that, at the time Title III was implemented, there were a large number of such institutions willing and able to take advantage of the program. Many of these schools had been in existence for many years and they enrolled a very large percentage of all black college students. At the same time, there were very few institutions enrolling significant numbers of Spanish-speaking and American Indian students.

However, in recent years, as the number of colleges serving Spanish-speaking and American Indian students has increased, a high priority has been assigned to funding such schools under Title III. This change in emphasis is illustrated by the fact that the number of awards made in support of Hispanic and Indian programs has increased from 22 in 1971 to 60 in 1976. Moreover, the amount of money for such programs has increased from $2.6 million to $10.3 million, a four-fold increase in funds compared with a slightly more than three-fold increase in the total appropriation.

In conclusion, the report demonstrates that Title III grantees are selected in accordance with the legislatively mandated purposes of the Developing Institutions Program, and that all minority groups are fairly treated in the administration of the program.

Statistical Summaries

The following two tables are included in order to provide an overall statistical picture of the benefits of the Title III program on minority populations.

Table I shows the percentage distribution of Basic Program funds among the three major minorities for each year since the inception of Title III.

Table II provides data on the number of grants and total funds awarded under both the Basic and Advanced Programs for each of the three major minorities for fiscal years 1971 through 1976.

TABLE I

TITLE III, STRENGTHENING DEVELOPING INSTITUTIONS BASIC INSTITUTIONAL DEVELOPMENT PROGRAM

Percent of Funds to Minorities of Total Appropriation Fiscal Years 1966-1976

Fiscal Year	Predominantly Black Colleges	Spanish-Speaking Programs	Native American Programs	Other	Total
1966	61	3	---	36	100
1967	40	2	1	57	100
1968	47	3	1	49	100
1969	53	3	1	43	100
1970	57	2	1	40	100
1971	59	5	3	33	100
1972	60	5	4	31	100
1973	59	7	6	28	100
1974	57	7	7	29	100
1975	52	8	7	33	100
1976	49	10	8	33	100

TABLE II

TITLE III, STRENGTHENING DEVELOPING INSTITUTIONS

Number of Grants and Amounts Awarded to Minorities
Fiscal Years 1971-1976

	Number of Grants	Amount Funded
Predominantly Black Institutions		
1971 Basic Program	89	$ 19,841,925
1972 Basic Program	96	30,994,100
1973 Basic Program	98	30,658,320
1973 Advanced Program	13	23,380,000
1974 Basic Program	67	29,620,000
1974 Advanced Program	18	29,075,000
1975 Basic Program	65	26,815,000
1975 Advanced Program	29	29,228,000
1976 Basic Program	55	25,450,000
1976 Advanced Program	13	29,130,000
TOTALS	543	264,192,345
Programs for Spanish-Speaking		
1971 Basic Program	14	1,613,000
1972 Basic Program	18	2,816,000
1973 Basic Program	23	3,556,000
1973 Advanced Program	3	2,220,000
1974 Basic Program	26	3,812,000
1974 Advanced Program	3	3,620,000
1975 Basic Program	24	4,336,000
1975 Advanced Program	10	3,609,777
1976 Basic Program	31	4,660,825
1976 Advanced Program	1	1,200,000
TOTALS	153	31,443,602
Programs for Native Americans		
1971 Basic Program	8	943,000
1972 Basic Program	15	1,970,000
1973 Basic Program	19	3,166,000
1973 Advanced Program	2	791,375
1974 Basic Program	28	3,517,000
1974 Advanced Program	--	---
1975 Basic Program	26	3,606,216
1975 Advanced Program	2	247,500
1976 Basic Program	27	4,231,100
1976 Advanced Program	1	161,000
TOTALS	128	18,606,191

FINDINGS AND RECOMMENDATIONS

The Advisory Council on Developing Institutions herewith submits its Findings and Recommendations. Some are new in this 1976 Annual Report; others are reaffirmations of the Council's previous recommendations which represent continuing concerns and areas for which action has not yet been completed.

The Council urges that both the Administration and Congress give serious and prompt attention to these recommendations, and that the necessary legislative and administrative actions be taken for their implementation.

The Council understands that the Office of Education is currently in the process of revising the Title III regulations, and that it anticipates that they will be promulgated during calendar year 1977 and become effective for the next funding cycle which will support academic year 1978-79. It hopes that these recommendations will also be reflected as appropriate in the new regulations as well as in any other program guidelines issued by the Office.

I. FINDING

The Council, in reaffirming its commitment to Title III, recognizes the significant contributions that the program has made in raising the academic quality of developing institutions. The Council has summarized, in the section of this Annual Report entitled "The Continuing Need for Assistance", those specific elements which constitute a total statement of need for developing institutions.

The Council again commends Congress and the previous Administration for their support of the Title III program, particularly during times of severe economic conditions. It feels confident that the new Administration will recognize the need and will continue the Federal involvement even more intensely.

The Education Amendments of 1976, Public Law 94-482, approved October 12, 1976, extended Title III for an additional four years through fiscal year 1979, continuing its annual authorization at $120 million.

When Congress enacted the regular 1977 appropriation bill in September of 1976, it excluded those programs--such as Title III--which lacked 1977 authorization pending their legislative renewal, and provided that they operate under the Continuing Resolution during the interim period. Now that the authorizing legislation for Title III has been extended, the outgoing Administration provided, in the 1978 President's Budget, a fiscal year 1977 supplemental request of $110 million, as well as its 1978 budget estimate of $110 million, for the program. President Carter, in his Budget Message to Congress on February 22, 1977, recommended an additional $10 million for the program in fiscal year 1978. This would result in full funding at $120 million.

The Advisory Council agrees with the new Administration that this amount of $110 million, which will have remained level for three fiscal years--1975, 1976, and 1977--should be raised beginning in 1978 to reflect the increasing needs for assistance under the developing institutions program.

RECOMMENDATION

(1) That the Congress support, as an immediate priority, the funding of Title III in fiscal year 1978 at its full authorization of $120 million. (2) That the Administration and Congress support a legislative amendment to extend and increase the Title III annual authorization at $200 million for fiscal year 1979 and each succeeding fiscal year.

II. FINDING

The Council continues to emphasize the wide diversity in developing institutions. Indeed, they vary significantly in their goals and objectives, in their organization, in their financial support, in their curricular offerings, in their accreditation status, in the qualifications of their faculty, and in the needs of their students. So, too, are the stages of development in institutions diversified and intricate.

The Council finds that the Office of Education has, within the limitations of available funds, been most responsive to this multiplicity of need. As an example, it has established and maintained two individual program thrusts under Title III--the Basic and the Advanced--to provide the kind of specialized assistance needed by institutions at various stages of development.

In its previous reports, the Council has emphasized that new areas of need for specific types of assistance are constantly appearing, and has identified several examples: (1) Younger institutions--especially those serving special needs and clientele such as Native Americans and Spanish-speaking--are emerging and seeking aid from the Basic Program. (2) Some institutions which are now in the Basic Program could, with larger grants, accelerate their development to a level where they could qualify for participation in the Advanced Program. (3) Other institutions qualify for support under the Advanced Program but, because of their limited strength or capacity, require smaller grants than those usually awarded under the Advanced Program. (4) Some of the first institutions which were funded under the Advanced Program will be nearing the end of their grant periods and will continue to exhibit needs of varying degree as they approach a mature stage of development.

Thus, there continues to be a unique and clearly defined need for each Title III program--the Basic and the Advanced. It is also imperative that there be a variety of types of assistance and size of grants, as well as flexibility in program administration, so that Title III can continue to respond to this multiplicity of need.

The Council, therefore, reaffirms the following recommendation.

RECOMMENDATION

(1) That the Administration continue its support of both the Basic Institutional Development Program and the Advanced Institutional Development Program; and that, based on institutional needs in any given year, there be a reasonable balance of support between the

two. (2) That the Office of Education exercise the needed flexibility in administering Title III, and that it explore various alternatives to meet special needs such as (a) expanding the Basic Program or establishing an intermediate program to provide larger grants for those institutions on the "fringe" of qualifying for the Advanced Program, (b) expanding the Advanced Program to provide smaller grants for schools which lack the capacity for the larger sums, and (c) allowing institutions which complete their Advanced Program funding period to reapply for the specific type of assistance that may be needed so long as they continue to meet the requirements of the law.

III. FINDING

The future of those institutions participating in the Advanced Program as they approach the end of their grant period continues to be a major concern of the Council.

Indeed, their plight relates directly to the basic philosophy of Title III: That one of our national priorities is to help developing institutions take their rightful place in the educational arena, and to do this we must assure that these schools have been given every opportunity to be self-sustaining.

The Advanced Program has provided a concerted effort to move a few schools, which are already at somewhat advanced stages, rapidly toward self-sufficiency. But despite the accomplishments and accelerated development that have resulted, the notion that such aid, in and by itself, will automatically bring these institutions to a stage of "full maturity" and financial independence is entirely unrealistic. We must keep in mind that many of these schools have been struggling and bearing the national responsibility of educating disadvantaged youth for a century, and we cannot assume that a few years' support in specific areas of program development will necessarily bring them to complete self-sufficiency. Many of them have little or no public support or sources for endowment building or other contributions.

Therefore, it is not surprising that many Advanced Program institutions are encountering unavoidable difficulties in meeting the fund replacement requirement. Section 169.34 of the Regulations provides that an institution must submit with its Advanced Program application an outline of a long-range (five year) plan which must include a general strategy for replacing its Title III funds by the end of the grant period.

In view of this problem and the fact that some institutions will reach the end of their Advanced Program grant period on June 30, 1977, the Office of Education in December 1976 notified all Advanced Program grantees that it plans to (1) undertake an analysis of the fund replacement problem as part of an overall evaluation of the Title III program, and (2) extend funding for one additional year for those institutions whose grants expire on June 30, 1977, pending the development and implementation of an effective fund replacement mechanism.

In summary, the Advisory Council finds that the three- or five-year "up and out" concept is an administrative procedure which has proven to be ineffective, and that the fund replacement requirement is entirely unrealistic. It further believes that we should not jeopardize the financial investments that we have already made in these schools when some additional, and in many cases relatively small, assistance is needed.

RECOMMENDATION

That the Office of Education (1) immediately eliminate the fund replacement requirement from the Advanced Program regulations; (2) vigorously pursue the development and implementation of an effective fund replacement mechanism; and (3) in the interim pending this implementation, allow all Advanced Program institutions to reapply for support as long as they continue to be eligible under the regulations.

IV. FINDING

The single most crucial issue faced by the Advisory Council continues to be the future of developing institutions and the Federal commitment to their support. It is in the national interest to continue the forward momentum and to protect and enhance the investments already provided by Title III so that these schools can, indeed, make their vitally needed contributions to higher education.

The Council has emphasized and re-emphasized some very fundamental needs and goals in American higher education which succinctly and rationally point up the need for a positive Federal role. They include the need to provide equal access to postsecondary education for every deserving American student; the need to preserve diversity of programs, curricula, and experiences in our higher education system to meet a variety of individual needs and aspirations; the wide disparity in college enrollments between disadvantaged and other students; the large number of struggling institutions with the desire and potential to contribute to society; the responsibility to invest in human resources; the need to continue the investments and forward momentum already provided by Title III; the current financial crisis facing all institutions of higher education; the additional financial burden placed on developing institutions due to costly special and remedial programs for their large numbers of disadvantaged students; the fact that efforts to increase enrollments and student aid are not sole solutions; the prohibitive "replacement costs" if all developing institutions closed their doors; and the overwhelming demand for Title III funds since the inception of the program.

In its previous Annual Reports, the Council has consistently recommended an expanded Federal role in institutional support. In fact, it researched the various proposals and endorsements for institutional assistance, and included in its 1976 Annual Report a special section devoted to an analysis of two endowment plans as examples of positive, specific approaches.

The Commissioner of Education has informed the Advisory Council of his intent to establish a task force to review the entire area of institutional assistance--including the future of Title III Advanced Program institutions, endowment proposals, and other forms of aid. The outcome of the task force should serve as the basis for specific recommendations to the Secretary of Health, Education, and Welfare, and Office of Management and Budget. The Advisory Council anticipates being actively involved in the undertakings of the task force.

RECOMMENDATION

That the Administration and Congress support the legislative enactment of a comprehensive institutional support program for developing schools. In order to meet their wide variety of needs, such a proposal might include a flexible combination of types of support such as the establishment and maintenance of endowment funds.

V. FINDING

The Council continues to emphasize the urgency to help the disadvantaged and minority groups of our society.

Statistics indicate, for example, that although blacks constitute 11.1 percent of the U. S. population, they represent only 6.9 percent of college enrollment. Spanish surnamed Americans comprise 4.6 percent of the population but only 2.1 percent of postsecondary enrollment; and Native Americans make up .4 percent of the population but only .23 percent of higher education enrollment.

Statistics also demonstrate the beneficial effects of postsecondary education on employment opportunities for minorities. Among 16 to 24-year-olds who were members of a racial minority in 1975, some 28.5 percent with a high school education were unemployed compared to 13.5 percent of those with one to three years of college.

The Council recognizes the unique role of developing institutions in providing successful educational experiences to low-income and minority students. Therefore, it restates three specific recommendations in this area which it has made in previous reports.

RECOMMENDATION

(1) That the Office of Education continue its concern for meeting the needs of the disadvantaged under Title III; and that the Administration and Congress support amending legislation to provide specifically that institutions enrolling high proportions of low-income and minority students be given a high priority in Title III funding. (2) That the Office of Education continue to encourage the development of programs for American Indians, including institutions other than those enrolling predominantly Indian students. (3) That the Administration and Congress continue to provide the necessary administrative and legislative assistance to enable the Office of Education to collect institutional statistics on minority and disadvantaged students.

VI. FINDING

One of the legislative requirements for participation in the program is that an institution, during the five years preceding its Title III support, be accredited by a nationally recognized accrediting agency or association or is, according to such agency or association, making reasonable progress toward accreditation. The law allows the Commissioner to waive this full five-year requirement for institutions serving substantial populations of Native Americans, and to waive three years of this five-year requirement for any Title III applicant if he determines that such action will substantially increase higher education opportunities for Spanish-speaking people.

The Council continues to recognize the needs of those newly established developing institutions serving Cubans, Mexican-Americans, and Puerto Ricans; and it contends that they deserve to be given the same advantage as those institutions serving Native Americans--i.e., a waiver of the full five-year accreditation requirement.

RECOMMENDATION

That the Administration and Congress support amending legislation to increase from three to five the number of years which the Commissioner may waive of the five-year accreditation requirement for Title III grants which substantially increase opportunities for higher education for Spanish-speaking people.

VII. FINDING

The Advisory Council continues to commend the staff of the Office of Education for its competent and diligent administration of the Title III program. At the same time, the Council also stresses the critical need for adequate staffing to provide efficient monitoring and effective technical assistance for Title III grantees.

The General Accounting Office referred in its 1975 report to the lack of sufficient staff and travel funds for Title III, and recommended that the Secretary and the Commissioner "improve program monitoring by developing and implementing a more viable site visitation program."

In response to this recommendation, the Office has developed a system for site visitation of all Title III Basic Program grantees which would include both a pre-award and post-award site visit of five days each, or a total of ten days.

This new monitoring system involves the following two major components: (1) Management evaluation review procedures will address compliance with the Act, regulations, and guidelines, including an assessment of the quality and impact of the Title III grant on the institution. (2) Technical assistance will include conducting national and regional Federal workshops and regularly scheduled teleconferences, providing summaries of findings of site visits, and more generally responding to inquiries by telephone and correspondence.

The Council emphasizes that adequate personnel and travel funds are critical to the effective implementation of this monitoring system.

The Council also underscores the need for program evaluations, and particularly for a data base against which Title III programs can be assessed. The Council urges the Office of Education to continue its current efforts to develop a series of statistical profiles of developing institutions which could provide a real step forward in the area of program evaluations.

In view of the foregoing findings, the Advisory Council strongly reaffirms the following recommendation.

RECOMMENDATION

That the Administration and Congress provide adequate staff and travel funds for effective and efficient administration and monitoring of the Developing Institutions Program; and that the Office of Education continue to place high priority on its Title III evaluation efforts.

VIII. FINDING

The Advisory Council in its previous Annual Reports has recommended that the size of the Council be increased from nine to twelve members, and that the Secretary and the Commissioner continue to appoint to the Council, as vacancies arise, representatives from disadvantaged and minority groups and from the various higher education sectors. Such diversified representation can help assure that Title III does indeed respond to the diversity of the Nation's institutions and their clientele.

The Council commends the Secretary and the Commissioner for their efforts to better reflect the constituencies and target groups to which Title III is addressed, and has been informed that such positive actions will continue.

The Council continues to find, however, a need to increase the size of the Council by three members in order to provide sufficient representation as well as to maintain a certain degree of continuity in the objectives and actions of the Council.

The Council therefore reaffirms its previous recommendation.

RECOMMENDATION

That the Administration and Congress support amending legislation to increase the size of the Advisory Council on Developing Institutions from nine to twelve members; and that the Secretary and the Commissioner continue the practice of appointing representatives from disadvantaged and minority groups to the Council as vacancies arise.

IX. FINDING

The Council, well into fiscal year 1977, was informed by the Office of Education that it would be necessary to make a major reduction in its budget for that fiscal year. As a result, the Council will be unable to fully implement its plans for the remainder of fiscal year 1977.

Upon appeal by the Advisory Council on January 7, 1977, the Office arranged for a partial restoration of this reduction. The Commissioner and Deputy Commissioner also assured the Council that a review of the status of funds later in the fiscal year might possibly result in the further release of funds to the Council.

RECOMMENDATION

That the Office of Education assure that adequate funds are available to enable its Advisory Councils to effectively discharge their duties as mandated by Congress.

APPENDIX A

ADVISORY COUNCIL ON DEVELOPING INSTITUTIONS

Dr. Samuel M. Nabrit (Chairperson)
Executive Director
Southern Fellowship Fund
795 Peachtree Street, N. E.
Atlanta, Georgia 30308

Mr. Peter E. Azure
Assistant Director for Advancement
Sheldon Jackson College
P. O. Box 479
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Dr. Sidney Brossman
Director of Institutional Services
San Diego Community College
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San Diego, California 92108

Mr. Lowell J. Cook
Administrative Assistant for Development
North Iowa Area Community College
Mason City, Iowa 50401

Mr. Norman C. Harris
Coordinator of Community College Development
Center for the Study of Higher Education
The University of Michigan
Ann Arbor, Michigan 48104

Dr. Keith Jewitt
Professor of Sociology
Black Hills State College
Spearfish, South Dakota 57783

Ms. Gale Joann Miller
University of North Carolina
at Chapel Hill
Chapel Hill, North Carolina 27514

Ms. Virginia Ortiz Y Pino
Director of Cooperative Education
New Mexico Highlands University
Las Vegas, New Mexico 87701

Mr. Harold E. Wade
Assistant Executive Secretary
Commission on Colleges
Southern Association of Colleges and Schools
795 Peachtree Street, N. E.
Atlanta, Georgia 30308

TITLE III, HIGHER EDUCATION ACT OF 1965
STRENGTHENING DEVELOPING INSTITUTIONS
BASIC INSTITUTIONAL DEVELOPMENT PROGRAM

Selected Data on Participants, Fiscal Years 1966-1976

	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976
Funds Appropriated & Obligated (in thousands)	$ 5,000	$ 30,000	$ 30,000	$ 30,000	$ 30,000	$ 33,850	$ 51,850	$ 51,850	$ 51,992	$ 52,000	$ 52,000
Funds Requested by Institutions (in thousands)	$ 32,250	$ 56,792	$113,925	$ 95,187	$ 85,434	$105,048	$143,000	$220,000	$198,000	$222,000	$196,000
Number of Proposals Submitted	310	560	500	464	433	441	456	470	511	491	431
Number of Grantee Developing Inst.	(127)	(411)	(220)	(229)	(227)	(198)	(226)	(235)	(215)	(207)	(203)
Other Non-Grantee Participating Inst.	(31)	(55)	(148)	(186)	(215)	(307)	(330)	(232)	(139)	(230)	(232)
Total Developing Inst. Benefiting from Title III Funds	158	466	368	415	442	505	556	457	354	437	435
Assisting Institutions	66	168	131	142	156	151	185	181	162	141	163
Assisting Agencies & Businesses	9	53	28	47	51	53	101	134	178	118	166
National Teaching Fellowships Approved	263	1,514	727	655	649	541	635	354	524	461	362
Professors Emeriti Awarded	--	--	--	--	56	64	73	45	59	48	38
Geographical Representation of Grantees	38 States & D.C.	47 States Guam P.Rico D.C.	45 States Guam P.Rico V. Isl.	45 States Guam P.Rico V. Isl.	44 States Guam P.Rico V. Isl. D.C.	40 States P.Rico V. Isl. D.C.	43 States P.Rico V. Isl. D.C.	43 States P.Rico V. Isl. D.C.	47 States P.Rico V. Isl. D.C.	44 States P. Rico V. Isl. D.C.	44 States P.Rico V. Isl. D.C. Am. Samoa

TITLE III, HIGHER EDUCATION ACT OF 1965
STRENGTHENING DEVELOPING INSTITUTIONS
BASIC INSTITUTIONAL DEVELOPMENT PROGRAM

Awards by Type of Institution, Fiscal Year 1976

	Number of Grantees	Percent of Grantees	Total Funds	Percent of Funds	Average Grant	No. of NTF's*	No. of PE's**
All Grantee Institutions	203	100%	$52,000,000	100%	$256,157	362	38
Four-Year	130	64.0	$39,520,000	76.0	$304,000	331	33
Two-Year	73	36.0	$12,480,000	24.0	$170,958	31	5
Public Institutions	97	47.8	$24,482,800	47.1	$252,400	142	12
Four-Year	40	19.7	$14,200,000	27.3	$355,000	121	10
Two-Year	57	28.1	$10,282,800	19.8	$180,400	21	2
Private Institutions	106	52.2	$27,517,200	52.9	$259,596	220	26
Four-Year	90	44.3	$25,320,000	48.7	$281,333	210	23
Two-Year	16	7.9	$ 2,197,200	4.2	$137,325	10	3
Predominantly Black Institutions	55	27.1	$25,450,000	48.9	$462,727	158	18
Four-Year	47	23.2	$23,675,000	45.5	$503,723	155	18
Two-Year	8	3.9	$ 1,755,000	3.4	$219,375	3	0
Predominantly White Institutions	148	72.9	$26,550,000	51.1	$179,391	204	20
Four-Year	83	40.9	$15,845,000	30.5	$190,903	176	15
Two-Year	65	32.0	$10,705,000	20.6	$164,692	28	5

* National Teaching Fellowships
** Professors Emeriti

TITLE III, HIGHER EDUCATION ACT OF 1965
STRENGTHENING DEVELOPING INSTITUTIONS
ADVANCED INSTITUTIONAL DEVELOPMENT PROGRAM

Awards by Type of Institution, Fiscal Year 1976

	Number of Grantees	Percent of Grantees	Total Funds	Percent of Funds	Average Grant
Totals	34	100%	$58,000,000	100%	$1,705,882
Four-Year	23	67.6	$44,080,000	76.0	$1,335,757
Two-Year	11	32.4	$13,920,000	24.0	$1,265,454
Grantee Institutions	32	94.1	$56,980,000	98.2	$1,780,625
Four-Year	22	64.7	$43,400,000	74.8	$1,972,727
Two-Year	10	29.4	$13,580,000	23.4	$1,358,000
Consortia	2	5.8	$ 1,020,000	1.8	$ 510,000
Four-Year	1	2.9	$ 680,000	1.2	$ 680,000
Two-Year	1	2.9	$ 340,000	0.6	$ 340,000
Public Institutions*	16	47.05	$29,830,000	51.4	$1,864,375
Four-Year	6	17.65	$16,250,000	28.0	$2,708,333
Two-Year*	10	29.40	$13,580,000	23.4	$1,358,000
Private Institutions**	16	47.05	$27,150,000	46.8	$1,696,875
Four-Year**	16	47.05	$27,150,000	46.8	$1,696,875
Two-Year	0	0	0	0	0
Predominantly Black Institutions**	12	35.3	$28,450,000	49.0	$2,370,833
Four-Year**	10	29.4	$24,950,000	43.0	$2,495,000
Two-Year	2	5.9	$ 3,500,000	6.0	$1,750,000
Predominantly White Institutions*	20	58.8	$28,530,000	49.2	$1,426,500
Four-Year	12	35.3	$18,450,000	31.8	$1,537,500
Two-Year*	8	23.5	$10,080,000	17.4	$1,260,000

* Does not include 2-year white public institution serving as consortium coordinator.

** Does not include 4-year black private institution serving as consortium coordinator.

TITLE III, HIGHER EDUCATION ACT OF 1965
STRENGTHENING DEVELOPING INSTITUTIONS
COMBINED BASIC AND ADVANCED PROGRAMS

Awards by Type of Institution, Fiscal Year 1976

	Number of Grantees	Percent of Grantees	Total Funds	Percent of Funds	Average Grant	
					Advanced Program	Basic Program
All Grantee Institutions	237	100%	$110,000,000	100%	$1,705,882	$256,157
Four-Year	153	64.6	$ 83,600,000	76.0	$1,335,757	$304,000
Two-Year	84	35.0	$ 26,400,000	24.0	$1,265,454	$170,958
Public Institutions	114	48.1	$ 54,652,800	49.7	$1,774,705	$252,400
Four-Year	46	19.4	$ 30,450,000	27.7	$2,708,333	$355,000
Two-Year	68	28.7	$ 24,202,800	22.0	$1,265,454	$180,400
Private Institutions	123	51.9	$ 55,347,200	50.3	$1,637,058	$259,596
Four-Year	107	45.1	$ 53,150,000	48.3	$1,637,058	$281,333
Two-Year	16	6.8	$ 2,197,200	2.0	0	$137,325
Predominantly Black Institutions	68	28.7	$ 54,580,000	49.6	$2,240,769	$462,727
Four-Year	58	24.5	$ 49,305,000	44.8	$2,330,000	$503,723
Two-Year	10	4.2	$ 5,255,000	4.8	$1,750,000	$219,375
Predominantly White Institutions	169	71.3	$ 55,420,000	50.4	$1,374,761	$179,391
Four-Year	95	40.1	$ 34,295,000	31.2	$1,537,500	$190,903
Two-Year	74	31.2	$ 21,125,000	19.2	$1,157,777	$164,692

TITLE III, HIGHER EDUCATION ACT OF 1965
STRENGTHENING DEVELOPING INSTITUTIONS
ADVANCED INSTITUTIONAL DEVELOPMENT PROGRAM

Awards by Institution, Fiscal Years 1973 through 1976

ALABAMA	
Alabama A and M University	$ 3,000,000
Enterprise State Junior College	1,400,000
Gadsden State Junior College	850,000
Jacksonville State University	2,500,000
Jefferson State Junior College	1,600,000
John C. Calhoun State Technical Junior College and Technical School	720,000
Miles College	3,000,000
Northeast Alabama State Junior College	1,000,000
Tuskegee Institute	3,066,000
(Consortium of Four-Year Grantees)	1,050,000
Total	18,186,000
ARIZONA	
Cochise College	1,200,000
Pima Community College	850,000
Total	2,050,000
ARKANSAS	
Ouachita Baptist University	1,000,000
CALIFORNIA	
Compton Community College	675,000
East Los Angeles College	950,000
Lone Mountain College	1,300,000
Total	2,925,000
COLORADO	
Southern Colorado State College	650,000
DELAWARE	
Delaware State College	2,500,000
DISTRICT OF COLUMBIA	
Washington Technical Institute	1,600,000
FLORIDA	
Bethune-Cookman College	2,500,000
Valencia Community College	1,200,000
Total	3,700,000

GEORGIA	
Abraham Baldwin Agricultural College	$ 1,400,000
Clark College	2,486,000
Morehouse College	2,237,000
Morris Brown College	2,720,000
Savannah State College	2,750,000
South Georgia College	855,000
Spelman College	2,234,000
Total	14,682,000
HAWAII	
University of Hawaii-Leeward Community College	1,800,000
ILLINOIS	
Central YMCA Community College	1,550,000
(Consortium of Two-Year Grantees)	540,000
Illinois Benedictine College	1,000,000
Lewis University	1,500,000
Malcolm X College	1,500,000
Mundelein College	1,300,000
Olive-Harvey College	1,500,000
Total	8,890,000
INDIANA	
Vincennes University	1,300,000
IOWA	
Des Moines Area Community College	1,350,000
Morningside College	1,000,000
Saint Ambrose College	1,500,000
Total	3,850,000
KANSAS	
Ottawa University	1,300,000
KENTUCKY	
Kentucky State University	2,300,000
Lees Junior College	1,000,000
Murray State University	1,200,000
Union College	1,500,000
Total	6,000,000

LOUISIANA	
Dillard University	$ 2,500,000
Loyola University	1,800,000
Southern University, Baton Rouge	3,000,000
Xavier University of Louisiana	2,825,000
Total	10,125,000
MARYLAND	
Bowie State College	2,500,000
Morgan State University	2,750,000
Total	5,250,000
MASSACHUSETTS	
North Shore Community College	1,500,000
Quinsigamond Community College	925,000
Total	2,425,000
MICHIGAN	
Aquinas College	1,000,000
Delta College	520,000
Highland Park Community College	1,200,000
Kalamazoo Valley Community College	820,000
Lansing Community College	1,500,000
Sienna Heights College	1,000,000
Wayne County Community College	2,000,000
Total	8,040,000
MINNESOTA	
College of St. Benedict	1,735,000
St. Mary's College	1,500,000
St. Mary's Junior College	978,625
Total	4,213,625
MISSISSIPPI	
Jackson State College	3,250,000
Mary Holmes College	1,000,000
Rust College	1,640,000
Tougaloo College	2,000,000
Total	7,890,000
MISSOURI	
Maryville College, Sacred Heart	1,500,000
Park College	750,000
Penn Valley Community College	1,000,000
Rockhurst College	1,967,000
Total	5,217,000

NEBRASKA	
Doane College	$ 1,250,000
NEW JERSEY	
Bloomfield College	1,500,000
Burlington County College	1,280,000
Mercer County Community College	2,000,000
Total	4,780,000
NEW YORK	
Brooklyn Center, Longis University	1,500,000
Canisius College	1,500,000
John J. College of Criminal Justice	1,500,000
Total	4,500,000
NORTH CAROLINA	
Bennett College	2,240,000
Catawba College	1,000,000
Johnson C. Smith University	2,000,000
Mars Hill College	2,000,000
North Carolina A and T State University	2,630,000
North Carolina Central University	2,900,000
St. Augustine's College	2,465,000
Sandhills Community College	1,000,000
Shaw University	2,915,000
Southeastern Community College	800,000
Western Carolina University	1,700,000
Total	21,650,000
NORTH DAKOTA	
North Dakota State School of Science	600,000
OHIO	
Central State University	2,700,000
Wilberforce University	2,600,000
Total	5,300,000
PENNSYLVANIA	
Delaware County Community College	1,200,000
Lincoln University	2,900,000
Total	4,100,000
SOUTH CAROLINA	
Baptist College at Charleston	1,200,000
Benedict College	2,750,000
South Carolina State College	1,800,000
Total	5,750,000

TENNESSEE	
Fisk University	$ 2,830,000
Tennessee State University	3,000,000
Total	5,830,000
TEXAS	
Bishop College	3,150,000
College of the Mainland	950,000
El Paso Community College	1,500,000
Pan American University	1,680,000
Prairie View A and M University	2,150,000
St. Mary's University	2,350,000
Texas College	1,200,000
Texas Southern University	2,000,000
Texas Southmost University	1,075,000
Total	16,055,000
VIRGINIA	
Hampton Institute	2,900,000
Norfolk State College	2,900,000
Virginia Union University	3,000,000
Total	8,800,000
WASHINGTON	
Seattle Central Community College	1,191,375
WEST VIRGINIA	
Alderson-Broaddus College	1,300,000
Davis and Elkins College	1,300,000
Salem College	1,000,000
West Virginia Wesleyan College	1,000,000
Wheeling College	1,500,000
Total	6,100,000
Grand Total	199,500,000

TITLE III, HIGHER EDUCATION ACT OF 1965
STRENGTHENING DEVELOPING INSTITUTIONS

Funding by State
Fiscal Year 1976

	Basic Institutional Development Program	Advanced Institutional Development Program	Total
TOTALS	$52,000,000	$58,000,000	$110,000,000
Alabama	4,443,000	8,580,000	13,023,000
Alaska	350,000	---	350,000
Arizona	850,000	1,200,000	2,050,000
Arkansas	1,815,000	---	1,815,000
California	475,000	1,300,000	1,775,000
Colorado	550,000	---	550,000
Connecticut	---	---	---
Delaware	100,000	2,500,000	2,600,000
District of Columbia	450,000	---	450,000
Florida	1,616,800	3,700,000	5,316,800
Georgia	2,465,000	2,750,000	5,215,000
Hawaii	475,000	---	475,000
Idaho	---	---	---
Illinois	425,000	3,140,000	3,565,000
Indiana	240,000	1,300,000	1,540,000
Iowa	880,600	1,500,000	2,380,600
Kansas	1,872,200	---	1,872,200
Kentucky	260,000	---	260,000
Louisiana	1,530,000	7,300,000	8,830,000
Maine	225,000	---	225,000
Maryland	900,000	2,500,000	3,400,000
Massachusetts	---	1,500,000	1,500,000
Michigan	1,040,000	3,000,000	4,040,000
Minnesota	200,000	---	200,000
Mississippi	1,700,000	2,000,000	3,700,000
Missouri	670,000	1,500,000	2,170,000
Montana	450,000	---	450,000
Nebraska	200,000	1,250,000	1,450,000
Nevada	---	---	---
New Hampshire	225,000	---	225,000

	Basic Institutional Development Program	Advanced Institutional Development Program	Total
New Jersey	$ 250,000	$ 1,280,000	$ 1,530,000
New Mexico	1,360,000	---	1,360,000
New York	200,000	1,500,000	1,700,000
North Carolina	4,637,000	2,000,000	6,637,000
North Dakota	1,160,000	---	1,160,000
Ohio	725,000	---	725,000
Oklahoma	905,000	---	905,000
Oregon	500,000	---	500,000
Pennsylvania	600,000	1,200,000	1,800,000
Rhode Island	---	---	---
South Carolina	2,505,400	---	2,505,400
South Dakota	905,000	---	905,000
Tennessee	3,088,000	3,000,000	6,088,000
Texas	2,935,200	1,200,000	4,135,200
Utah	200,000	---	200,000
Vermont	---	---	---
Virginia	3,345,000	---	3,345,000
Washington	400,000	---	400,000
West Virginia	1,265,000	2,800,000	4,065,000
Wisconsin	701,800	---	701,800
Wyoming	175,000	---	175,000
American Samoa	100,000	---	100,000
Canal Zone	---	---	---
Guam	---	---	---
Puerto Rico	1,285,000	---	1,285,000
Virgin Islands	350,000	---	350,000

TITLE III, HIGHER EDUCATION ACT OF 1965
STRENGTHENING DEVELOPING INSTITUTIONS
BASIC INSTITUTIONAL DEVELOPMENT PROGRAM

Numbers of Institutions by State, Fiscal Year 1976

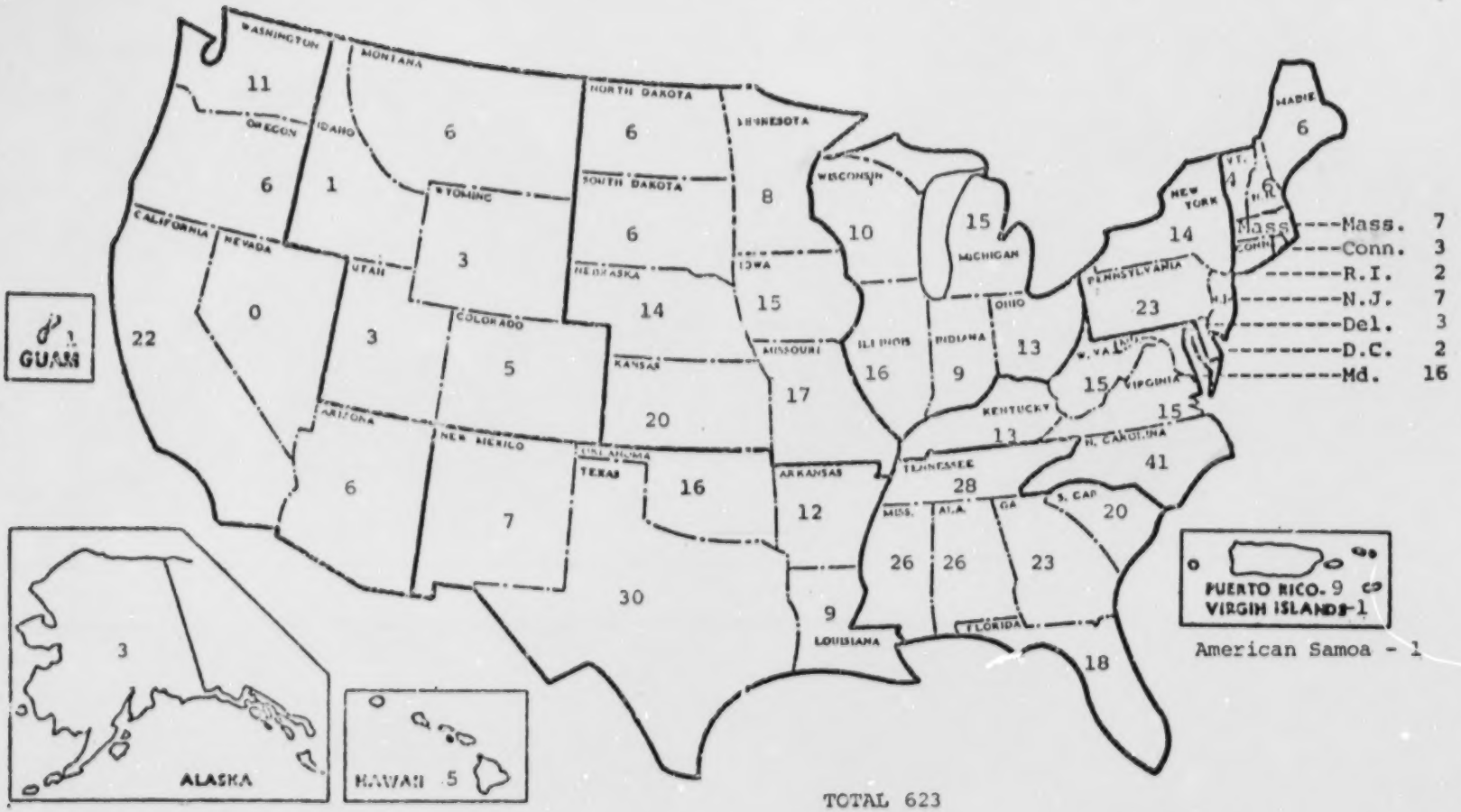
	Number of Grantee Developing Institutions	Number of Non-Grantee Participating Institutions	Total No. of Developing Institutions Under Basic Program
TOTALS	203	232	435
Alabama	14	7	21
Alaska	3	1	4
Arizona	4	0	4
Arkansas	7	2	9
California	3	8	11
Colorado	3	0	3
Connecticut	0	4	4
Delaware	1	4	5
District of Columbia	1	1	2
Florida	4	3	7
Georgia	9	7	16
Hawaii	3	4	7
Idaho	0	1	1
Illinois	3	8	11
Indiana	2	9	11
Iowa	2	14	16
Kansas	10	13	23
Kentucky	2	3	5
Louisiana	5	2	7
Maine	2	1	3
Maryland	2	1	3
Massachusetts	0	4	4
Michigan	3	5	8
Minnesota	2	1	3
Mississippi	6	4	10
Missouri	2	2	4
Montana	3	3	6
Nebraska	1	10	11
Nevada	0	1	1
New Hampshire	1	11	12

	Number of Grantee Developing Institutions	Number of Non-Grantee Participating Institutions	Total No. of Developing Institutions Under Basic Program
New Jersey	2	1	3
New Mexico	6	0	6
New York	2	11	13
North Carolina	13	14	27
North Dakota	5	6	11
Ohio	4	12	16
Oklahoma	4	2	6
Oregon	3	1	4
Pennsylvania	3	8	11
Rhode Island	0	1	1
South Carolina	9	10	19
South Dakota	4	7	11
Tennessee	7	8	15
Texas	10	2	12
Utah	2	0	2
Vermont	0	0	0
Virginia	6	5	11
Washington	3	4	7
West Virginia	7	0	7
Wisconsin	5	6	11
Wyoming	1	0	1
American Samoa	1	0	1
Canal Zone	0	0	0
Guam	0	0	0
Puerto Rico	7	0	7
Virgin Islands	1	0	1

DISTRIBUTION OF COLLEGES THAT HAVE RECEIVED DIRECT TITLE III AWARDS

FISCAL YEARS 1966 - 1976

BASIC PROGRAM



Mass.---7
Conn.---3
R.I.---2
N.J.---7
Del.---3
D.C.---2
Md.---16

American Samoa - 1

TOTAL 623

DISTRIBUTION OF COLLEGES THAT HAVE BEEN TITLE III PARTICIPANTS*

1966-1976

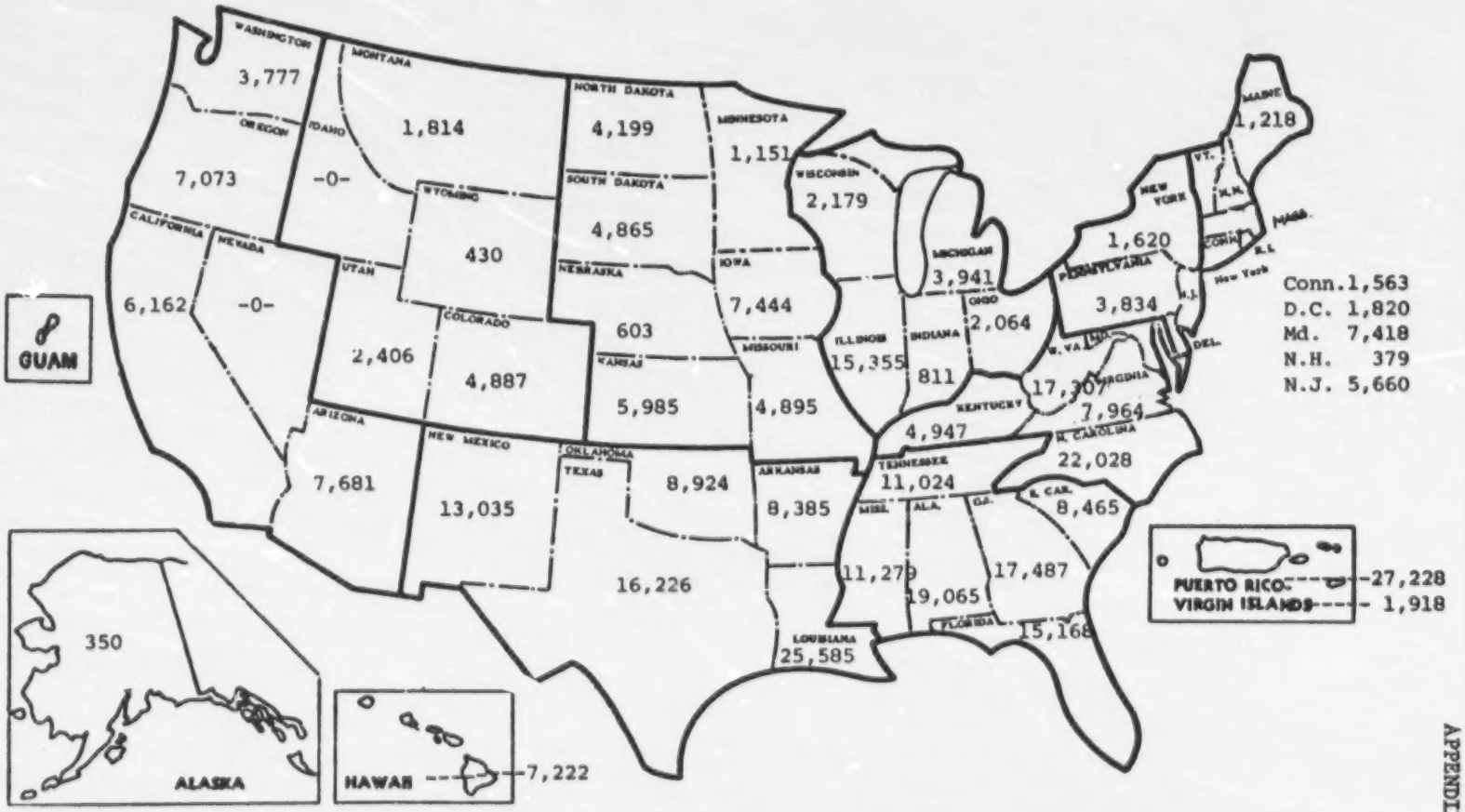
*Those institutions which did not receive direct awards from the Office of Education, but were included in consortia coordinated by grantee institutions.

**Those participants that were direct grantees were removed from this number.

DISTRIBUTION BY STATE OF THE TOTAL ENROLLMENT OF THE 203 INSTITUTIONS

DIRECTLY FUNDED UNDER THE BASIC TITLE III PROGRAM IN FISCAL YEAR 1976

TOTAL ENROLLMENT OF GRANTEE INSTITUTIONS - BASIC PROGRAM - 354,84[illegible]



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APPENDIX X

DISTRIBUTION BY STATE OF THE TOTAL ENROLLMENT

OF THE 232 PARTICIPATING INSTITUTIONS FUNDED UNDER TITLE III IN FISCAL YEAR 1976

TOTAL ENROLLMENT OF NON-GRANTEE PARTICIPANTS - BASIC PROGRAM - 347,731

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APPENDIX I

HIGHER EDUCATION ACT OF 1965

TITLE III—STRENGTHENING DEVELOPING INSTITUTIONS

AUTHORIZATION

SEC. 301. (a) The Commissioner shall carry out a program of special assistance to strengthen the academic quality of developing institutions which have the desire and potential to make a substantial contribution to the higher education resources of the Nation but which are struggling for survival and are isolated from the main currents of academic life.

(b) (1) For the purpose of carrying out this title, there are authorized to be appropriated $120,000,000 for the fiscal year ending June 30, 1973, and for each of the succeeding fiscal years ending prior to "*October 1, 1979*".

(2) Of the sums appropriated pursuant to this subsection for any fiscal year, 76 per centum shall be available only for carrying out the provisions of this title with respect to developing institutions which plan to award one or more bachelor's degrees during such year.

(3) The remainder of the sums so appropriated shall be available only for carrying out the provisions of this title with respect to developing institutions which do not plan to award such a degree during such year.

(20 U.S.C. 1051) Enacted June 23, 1972, P.L. 92-318, Title I, sec. 121(a), 86 Stat. 241.

ELIGIBILITY FOR SPECIAL ASSISTANCE

SEC. 302. (a) (1) For the purposes of this title, the term "developing institution" means an institution of higher education in any State which—

(A) is legally authorized to provide, and provides within the State, an educational program for which it awards a bachelor's degree, or is a junior or community college;

(B) is accredited by a nationally recognized accrediting agency or association determined by the Commissioner to be reliable authority as to the quality of training offered or is, according to such an agency or association, making reasonable progress toward accreditation;

(C) except as is provided in paragraph (2), has met the requirement of clauses (A) and (B) during the five academic years preceding the academic year for which it seeks assistance under this title; and

(D) meets such other requirements as the Commissioner shall prescribe by regulation, which requirements shall include at least a determination that the institution—

(i) is making a reasonable effort to improve the quality of its teaching and administrative staffs and of its student services; and

(ii) is, for financial or other reasons, struggling for survival and isolated from the main currents of academic life.

(2) The Commissioner is authorized to waive the requirements set forth in clause (C) of paragraph (1) in the case of applications for grants under this title by institutions located on or near an Indian reservation or a substantial population of Indians if the Commissioner determines such action will increase higher education for Indians.

The Commissioner is authorized to waive three years of the requirements set forth in clause (C) of paragraph (1) in the case of applications for grants under this title by institutions if the Commissioner determines such action will substantially increase higher education for Spanish-speaking people.

(b) Any institution desiring special assistance under the provisions of this title shall submit an application for eligibility to the Commissioner at such time, in such form, and containing such information, as may be necessary to enable the Commissioner to evaluate the need of the applicant for such assistance and to determine its elgibility to be a developing institution for the purposes of this title. The Commissioner shall approve any application for eligibility under this subsection which indicates that the applicant is a developing institution meeting the requirements set forth in subsection (a).

(c) For the purposes of clause (A) of paragraph (1) of subsection (a) of this section, the term "junior or community college" means an institution of higher education—

(1) which does not provide an educational program for which it awards a bachelor's degree (or an equivalent degree);

(2) which admits as regular students only persons having a certificate of graduation from a school providing secondary education (or the recognized equivalent of such a certificate); and

(3) which does—

(A) provide an educational program of not less than two years which is acceptable for full credit toward such a degree, or

(B) offer a two-year program in engineering, mathematics, or the physical or biological sciences, which program is designed to prepare a student to work as a technician and at the semiprofessional level in engineering, scientific, or other technological fields, which fields require the understanding and application of basic engineering, scientific, or mathematical principles of knowledge.

(20 U.S.C. 1052) Enacted June 23, 1972, P.L. 92-318, Title I, sec. 121(a), 86 Stat. 241, 242; amended August 21, 1974, P.L. 93-380, sec. 832, 88 Stat. 603.

ADVISORY COUNCIL ON DEVELOPING INSTITUTIONS

SEC. 303. (a) There is hereby established an Advisory Council on Developing Institutions (in this title referred to as the "Council") consisting of nine members appointed by the Commissioner with the approval of the Secretary.

(b) The Council shall, with respect to the program authorized by this title, carry out the duties and functions specified by part C of the General Education Provisions Act and, in particular, it shall assist the Commissioner—

(1) in identifying developing institutions through which the purposes of this title may be achieved; and

(2) in establishing the priorities and criteria to be used in making grants under section 304(a).

(20 U.S.C. 1053) Enacted June 23, 1972, P.L. 92-318, Title I, sec. 121(a), 86 Stat. 242, 243.

USES OF FUNDS: COOPERATIVE ARRANGEMENTS, NATIONAL TEACHING FELLOWSHIP, AND PROFESSORS EMERITUS

SEC. 304. (a) The Commissioner is authorized to make grants and awards, in accordance with the provisions of this title, for the purpose of strengthening developing institutions. Such grants and awards shall be used solely for the purposes set forth in subsection (b).

(b) Funds appropriated pursuant to section 301(b) shall be available for—

(1) grants to institutions of higher education to pay part of the cost of planning, developing, and carrying out cooperative arrangements between developing institutions and other institutions of higher education, and between developing institutions and other organizations, agencies, and business entities, which show promise as effective measures for strengthening the academic program and the administrative capacity of developing institutions, including such projects and activities as—

(A) exchange of faculty or students, including arrangements for bringing visiting scholars to developing institutions,

(B) faculty and administration improvement programs, utilizing training, education (including fellowships leading to advanced degrees), internships, research participation, and other means,

(C) introduction of new curricula and curricular materials,

(D) development and operation of cooperative education programs involving alternate periods of academic study and business or public employment, and

(E) joint use of facilities such as libraries or laboratories, including necessary books, materials, and equipment;

(2) National Teaching Fellowships to be awarded by the Commissioner to highly qualified graduate students and junior faculty members of institutions of higher education for teaching at developing institutions; and

(3) Professors Emeritus Grants to be awarded by the Commissioner to professors retired from active service at institutions of higher education to encourage them to teach or to conduct research at developing institutions.

(c)(1) An application for assistance for the purposes described in subsection (b)(1) shall be approved only if it—

(A) sets forth a program for carrying out one or more of the activities described in subsection (b)(1), and sets forth such policies and procedures for the administration of the program as will insure the proper and efficient operation of the program and the accomplishment of the purposes of this title;

(B) sets forth such policies and procedures as will insure that Federal funds made available under this section for any fiscal year will be so used as to supplement and, to the extent practical, increase the level of funds that would, in the absence of such Federal funds be made available for the purposes of the activities described in subsection (b)(1), and in no case supplant such funds;

(C) sets forth policies and procedures for the evaluation of the effectiveness of the project or activity in accomplishing its purpose;

(D) provides for such fiscal control and fund accounting procedures as may be necessary to insure proper disbursement of

and accounting for funds made available under this title to the applicant; and

(E) provides for making such reports, in such form and containing such information, as the Commissioner may require to carry out his functions under this title, and for keeping such records and affording such access thereto, as he may find necessary to assure the correctness and verification of such reports.

The Commissioner shall, after consultation with the Council, establish by regulation criteria as to eligible expenditures for which funds from grants for cooperative arrangements under clause (1) of subsection (b) may be used, which criteria shall be so designed as to prevent the use of such funds for purposes not necessary to the achievement of the purposes for which the grant is made.

(2)(A) Applications for awards described in clauses (2) and (3) of subsection (b) may be approved only upon a finding by the Commissioner that the program of teaching or research set forth therein is reasonable in the light of the qualifications of the applicant and of the educational needs of the institution at which the applicant intends to teach.

(B) No application for a National Teaching Fellowship or a Professors Emeritus Grant shall be approved for an award of such a fellowship or grant for a period exceeding two academic years, except that the award of a Professors Emeritus Grant may be for such period, in addition to such two-year period of award, as the Commissioner, upon the advice of the Council, may determine in accordance with policies of the Commissioner set forth in regulations.

(C) Each person awarded a National Teaching Fellowship or a Professors Emeritus Grant shall receive a stipend for each academic year of teaching (or, in the case of a recipient of a Professors Emeritus Grant, research) as determined by the Commissioner upon the advice of the Council, plus an additional allowance for each such year for each dependent of such person. In the case of National Teaching Fellowships, such allowance may not exceed $7,500, plus $400 for each dependent.

(20 U.S.C. 1054) Enacted June 23, 1972, P.L. 92-318, title I, sec. 121(a), 86 Stat. 243, 244.

ASSISTANCE TO DEVELOPING INSTITUTIONS UNDER OTHER PROGRAMS

SEC. 305. (a) Each institution which the Commissioner determines meets the criteria set forth in section 302(a) shall be eligible for waivers in accordance with subsection (b).

(b)(1) Subject to, and in accordance with, regulations promulgated for the purpose of this section, in the case of any application by a developing institution for assistance under any programs specified in paragraph (2), the Commissioner is authorized, if such application is otherwise approvable, to waive any requirement for a non-Federal share of the cost of the program or project, or, to the extent not inconsistent with other law, to give, or require to be given, priority consideration of the application in relation to applications from institutions whch are not developing institutions.

(2) The provisions of this section shall apply to any program authorized by title II, IV, VI, or VII of this Act.

(c) The Commissioner shall not waive, under subsection (b), the non-Federal share requirement for any program for applications which, if approved, would require the expenditure of more than 10 per centum of the appropriations for the program for any fiscal year.

(20 U.S.C. 1055) Enacted June 23, 1972, P.L. 92-318, Title I, sec. 121(a), 86 Stat. 244.

LIMITATION

SEC. 306. None of the funds appropriated pursuant to section 301 (b)(1) shall be used for a school or department of divinity or for any religious worship or sectarian activity.

(20 U.S.C. 1056) Enacted June 23, 1972, P.L. 92-318, Title I, sec. 121(a), 86 Stat. 245.

REGULATIONS

for

TITLE III, HIGHER EDUCATION ACT OF 1965

STRENGTHENING DEVELOPING INSTITUTIONS

Federal Register
Volume 40, Number 107
Tuesday, June 3, 1975

Note: These Regulations are currently in the process of being revised. The Office of Education anticipates that they will be promulgated during calendar year 1977 and become effective for the next funding cycle which will support academic year 1978-79.

Title 45—Public Welfare

CHAPTER I—OFFICE OF EDUCATION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

PART 169—STRENGTHENING DEVELOPING INSTITUTIONS PROGRAM

Notice of proposed rulemaking was published in the FEDERAL REGISTER on November 18, 1974 (39 FR 40506-40511) setting forth regulations for the Strengthening Developing Institutions Program authorized by Title III of the Higher Education Act of 1965, as amended (20 U.S.C. 1051-1056). Pursuant to section 503 of the Education Amendments of 1972, (Pub. L. 92-318) a hearing was held at the U.S. Office of Education on December 19, 1974 in the auditorium of Regional Office Building Three (ROB-3), 7th and D Streets SW., Washington, D.C. 20202, and comments were received on the proposed regulations. In addition interested persons were invited to submit written comments and recommendations to U.S. Office of Education, Room 2085, Federal Office Building Six, 400 Maryland Avenue SW., Washington, D.C. 20202, Attention: Chairman, Office of Education Task Force on Section 503. Written comments were received and considered.

A. *Summary of Comments—Office of Education Response.* The following oral and written comments were received by the Office of Education regarding the proposed regulations. After a summary of each comment, a response is set forth stating the changes which have been made in the regulations or the reasons why no change is deemed necessary.

Comment. One commenter suggested that the Title III program as presently structured and staffed is incapable of meeting the needs of a majority of small and growing institutions of higher education and proposed that funds directed toward helping developing institutions be distributed through revenue sharing to each state, that criteria for distribution of funds within each state be determined by an advisory committee representing all eligible institutions according to an equalization formula, that the criteria for granting funds to each State and subsequently to each developing institution be based on the effort expended through resource allocation to higher education and the documented needs for and an ability to utilize additional funds, and that the total effort of the program for strengthening viable developing institutions be coordinated by an advisory board representing all eligible institutions through their State advisory committees.

Response. The above suggestions for the administration and operation of the Title III program cannot be carried out under the existing statutory framework of the Strengthening Developing Institutions Program.

Section 169.11 *General criteria—Comment.* One commenter stated that institutions of continuing education should not be excluded from the Title III Program.

Response. Section 169.11 (a) through (e) of the regulation merely repeat the statutory definition of a developing institution contained in section 302 of the Act (20 U.S.C. 1052). Therefore institutions of continuing education if they are excluded from the program, are excluded by statute.

Section 169.12 *Quantitative factors for identifying developing institutions—Comment.* One commenter noted that his school failed to meet two of the criteria listed and, because of the special nature of his institution, could not meet those criteria.

Response. Section 169.12 does not require an institution to fall within the prescribed range of all eight factors listed. In fact it specifically provides that "Institutions that fall outside the range of one or more of the criteria will be given an opportunity to demonstrate that the shortfall or excess as the case may be does not materially alter the character of the institution."

Comment. One commenter indicated that the percent of students from low-income families, the total volumes in the library and the student enrollment figures were factors of questionable validity with respect to identifying developing institutions.

Response. Based on an analysis of the institutions that have received funds under the Developing Institutions Program over the course of operation of the program, the Commissioner has determined that the three factors identified by this commenter and the additional five factors in the table (39 FR 40507) set out in § 169.12 are the most important quantitative measures in assessing whether an institution meets the conditions set forth in § 169.11(e).

Section 169.13 *Qualitative factors for identifying developing institutions—Comment.* One commenter took special exception to the policy regarding open admissions in § 169.13(a)(1) and stated that it violated the right of some institutions supposedly served by the Title III program to make academic policies in accordance with their mission and capabilities of service.

Response. It was not the intent of the Office of Education to advocate open enrollment admission policies nor to reward schools that institute such a policy. This particular provision was added so as not to penalize those institutions which implement such a policy and as a result find that a decreasing number and/or percentage of their freshmen complete their first year, graduate, or go to professional schools.

Comment. A commenter suggested that in evaluating an institution's vitality consideration should be given to the present economic crisis and its implications for the fund raising capability of developing institutions.

Response. In the evaluation process consideration will be given to the present economic crisis and its implications for fund raising capabilities.

Section 169.14 *Effect of classification—Comment.* A commenter suggested that the programs that are subject to the waiver under section 305 of the Act should be identified.

Response. Section 169.14 will be amended to identify the programs that are subject to the waiver and the regulations published pursuant to such programs.

Section 169.34 *Institutional plan—Comment.* One commenter suggested that in view of the present economic crisis the fund replacement feature of the Advanced Institutional Development Program may not work to the advantage of institutions and should therefore be eliminated.

Response. It is recognized that it may be difficult for some developing institutions to comply with the fund replacement feature of the Advanced Institutional Development Program, however, this component remains a vital aspect of institutional development. In recognition of this problem consideration is being given to the development of new legislation that would assist institutions in building an endowment capacity.

Section 169.37 *Grantee selection—Comment.* One commenter suggested that it may not be fair to use as criteria in the selection of grantees under the Advanced Institutional Development Program, the percentage of students graduating or going on to graduate or professional schools or even the percentage of students becoming gainfully employed, since such factors may be beyond the control of institutions because their efforts may have been undercut by the present economic crisis.

Response. In the evaluation process for the selection of grantees in the Advanced Institutional Development Program consideration will be given to the impact of the economic crisis on the above factors.

General comments. A commenter was concerned about strengthening the cooperative arrangement between developing institutions and assisting agencies. The commenter stated that based upon his experience in working in the program he has noticed a lack of initiative on the part of the developing institution to draw consistently on the resources of the assisting agency, and that too often the assisting agency must prod the developing institution into action. On the other hand, he stated that certain assisting institutions pay lip service to supporting the developing institution and are not properly motivated, staffed or structured to offer that support. He suggested that a strengthened reporting system be developed to monitor the cooperative arrangement in a more effective manner.

Response. Developing institutions will be encouraged to draw consistently on the resources of the assisting agency and to work with assisting agencies who are structured and staffed to provide adequate support to the developing institution. In addition, (1) the developing institution in its periodic progress report to the Office of Education will be asked to state how the assisting agency has strengthened the program and (2) the assisting agency will be asked to state when, where, by whom and how it has carried out its responsibilities for the program. Also, in the institution's annual evaluation, there will be a request for assisting agency input which sharpens the necessity for continuous relationships between institutions and agencies.

Comment. One commenter stated that although multiple year funding is granted in the Advanced Institutional Development Program under Title III, single year funding is still the rule in the Basic Institutional Development Program.

Response. Competing continuation grants (up to three years) are in effect in the Basic Institutional Development Program. Application for support must be resubmitted each year and continued support depends on adequate program progress and the annual Title III appropriation from Congress.

Comment. A commenter was concerned because the announcement of Title III grants is often late in the fiscal year, too late for effective implementation by some institutions.

Response. There have been a number of improvements in the evaluation-funding process for Title III applications that should result in an earlier announcement of grants. However, the timing of grants in dependent as well on the date of passage of the fiscal year appropriation bill.

When the regulations were printed as a notice part (c) of § 169.34 was inadvertently omitted. This part which describes in more detail the criteria for approving long range plans in the Advanced Institutional Development Program has been added.

Effective date. Pursuant to section 431(d) of the General Education Provisions Act, as amended (20 U.S.C. 1232(d)), these regulations have been transmitted to the Congress concurrently with the publication of this document in the FEDERAL REGISTER.

That section provides that regulations subject thereto shall become effective on the forty-fifth day following the date of such transmission, subject to the provisions therein concerning Congressional action and adjournment.

(Catalog of Federal Domestic Assistance No. 13.464; Strengthening Developing Institutions)

Dated: May 7, 1975.

T. H. BELL,
U.S. Commissioner of Education.

Approved: May 27, 1975.

CASPAR W. WEINBERGER,
Secretary of Health, Education, and Welfare.

Part 169 of Title 45 of the Code of Federal Regulations is revised to read as follows:

Subpart A—General Provisions

Sec.

169.1 Statement of purpose.
169.2 Definitions.
169.3 Advisory Council on Developing Institutions.
169.4 Funding limitations.
169.5 Limitation.
169.6 General provisions regulation.

Subpart B—Criteria for Identifying Developing Institutions

169.11 General criteria.
169.12 Quantitative factors for identifying developing institutions.
169.13 Qualitative factors for identifying developing institutions.
169.14 Effect of classification.
169.15 Application requirements.

Subpart C—Basic Institutional Development Program

169.21 Program objectives.
169.22 Cooperative arrangements.
169.23 Grant activities.
169.24 National Teaching Fellowships.
169.25 Professor Emeritus Grants.
169.26 Application requirements.
169.27 Multi-year grants.
169.28 Evaluation and award procedures.
169.29 Allowable costs.

Subpart D—Advanced Institutional Development Program

169.31 Scope and purpose of the advanced institutional development program.
169.32 Cooperative arrangements.
169.33 Allowable activities.
169.34 Institutional plan.
169.35 Program priorities.
169.36 Application requirements.
169.37 Grantee selection.
169.38 Allowable costs.

AUTHORITY: Sec. 301–306 of Title III of the Higher Education Act of 1965, as amended by sec. 121(a) of Title I of Pub. L. 92–318, 86 Stat. 241–245 (20 U.S.C. 1051–1056), unless otherwise noted.

Subpart A—General Provisions

§ 169.1 Statement of purpose.

The purpose of this part is to assist developing institutions of higher education which demonstrate a desire and potential to make a substantial contribution to the higher education resources of the nation but which for financial and other reasons are struggling for survival and are isolated from the main currents of academic life. The Commissioner will support the establishment of cooperative arrangements under which these developing institutions may draw on the talent and experience of the stronger colleges and universities, on the educational resources of business and industry, and on the strengths of other developing institutions in an effort to improve their academic programs, administrative and management resources and their student services. The Commissioner will also support National Teaching Fellows and Professors Emeritus under this part.

(20 U.S.C. 1051–1054, 1056)

§ 169.2 Definitions.

As used in this part:

(a) "Act" means Title III of the Higher Education Act of 1965, as amended.

(b) "Academic Year" means a period of time usually eight or nine months in which a full-time student would normally be expected to complete the equivalent of two semesters, two trimesters, three quarters, twenty-eight semester hours, forty-two quarter hours or 900 clock hours of instruction.

(20 U.S.C. 1051–1054, 1056)

(c) "Developing Institution" is an institution of higher education that is so classified under Subpart B of this part.

(20 U.S.C. 1052)

(d) "Institution of Higher Education" means an educational institution as defined in section 1201(a) of the Higher Education Act of 1965.

(20 U.S.C. 1141(a))

(e) "Junior or Community College" means an institution of higher education (1) which does not provide an educational program for which it awards a bachelors degree (or an equivalent degree), (2) which admits as regular students only persons having a certificate of graduation from a school providing secondary education (or the recognized equivalent of such a certificate); and (3) which does (i) provide an educational program of not less than two years which is acceptable for full credit toward such a bachelors or equivalent degree, or (ii) offers a two year program in engineering, mathematics, or the physical or biological sciences, which program is designed to prepare a student to work as a technician and at the semiprofessional level in engineering, scientific or other technological fields, which fields require the understanding and application of basic engineering, scientific, or mathematical principles of knowledge.

(f) "State" means the several States of the Union, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, and the Virgin Islands.

(20 U.S.C. 1141(b); 20 U.S.C. 1051–1054 unless otherwise noted)

§ 169.3 Advisory Council on Developing Institutions.

An Advisory Council on Developing Institutions will be established consisting of nine members appointed by the Commissioner with the approval of the Secretary. The Advisory Council will assist the Commissioner:

(1) In identifying developing institutions through which the purposes of this part may be achieved, and

(2) In establishing the priorities and criteria to be used in making grants under this part.

(20 U.S.C. 1053)

§ 169.4 Funding limitation.

Junior or community colleges may receive not more than 24 per centum of the sums appropriated for any fiscal year for carrying out the provisions of this part.

(20 U.S.C. 1051)

§ 169.5 Limitation.

Funds made available pursuant to this part shall not be used for a school or department of divinity as defined in

section 1201(1) of the Higher Education Act of 1965 or for any religious worship or sectarian activity.

(20 U.S.C. 1056, 1141(1))

§ 169.6 General provisions regulation.

(a) Assistance provided under this part is subject to applicable provisions contained in Subchapter A of this chapter (relating to fiscal, administrative and other matters).

(20 U.S.C. 1031–1056)

Subpart B—Criteria for Identifying Developing Institutions

§ 169.11 General criteria.

A "developing institution" is an institution of higher education in any State which:

(a) Is legally authorized to provide, and provides within the State, an education program for which it awards a bachelor's degree, or is a junior or community college;

(b) Admits as regular students only persons having a certificate of graduation from a school providing secondary education or the recognized equivalent of such a certificate;

(c) Is accredited by a nationally recognized accrediting agency or association determined by the Commissioner to be reliable authority as to the quality of training offered or is, according to such an agency or association, making reasonable progress toward accreditation;

(d) Meets the requirements of paragraphs (a) and (c) of this section during the five academic years preceding the academic year for which it seeks assistance under this part, except that:

(1) the Commissioner may waive this five year requirement for those institutions located on or near an Indian reservation or a substantial number of Indians if he determines that such a waiver will increase the opportunity for Indians to obtain the benefits of higher education; and

(2) the Commissioner may waive three years of this five year requirement for an institution if he determines that such a waiver will substantially increase higher education for Spanish-speaking people. For purposes of this subparagraph, Spanish-speaking people are those persons of hispanic heritage including persons of Mexican, Puerto Rican, Cuban, Central American, South American, or other Spanish-speaking origin.

(e) Is, on the basis of the quantitative and qualitative factors set forth in §§ 169.12 and 169.13 respectively, (1) making reasonable effort to improve the quality of its teaching and administrative staffs and of its student services; and (2) for financial or other reasons, struggling for survival and isolated from the main currents of academic life.

(20 U.S.C. 1052)

§ 169.12 Quantitative factors for identifying developing institutions.

The following eight factors have been identified as the most important quantitative measures in assessing whether an institution meets the conditions set forth in § 169.11(e). They have been quantified by institutional type and control. These factors define the range of developing institutions. Every institution which meets all the quantitative standards will be included for further evaluation under the qualitative criteria. Institutions that fall outside the range of one or more of the criteria will be given an opportunity to demonstrate that the shortfall or excess as the case may be does not materially alter the character of the institution.

Title III of the Higher Education Act of 1965

Strengthening Developing Institutions

Percentiles for FY '74 Grantees (AIDP and BIDP) Using Data from '74 Applications

2-Year Public

	5%	25%	50%	75%	95%
FTE Enrollment	395	766	1,217	2,304	4,122
Full-Time Enrollment	275	672	890	1,609	3,045
% of Faculty w/Masters	40	70	79	83	91
Average Faculty Salary	7,800	8,822	10,113	11,041	14,800
% of Students from Low-Income Families [1]	14	33	47	63	86
Total E & G Expenditures	681,212	1,118,202	1,542,652	2,488,819	6,790,000
E & G Expenditures/FTE	621	1,066	1,341	1,680	2,300
Volumes in Library	10,750	20,913	27,505	34,179	47,000

2-Year Private

	5%	25%	50%	75%	95%
FTE Enrollment	147	205	419	592	1,204
Full-Time Enrollment	123	178	384	546	1,196
% of Faculty w/Masters	60	67	74	81	86
Average Faculty Salary	6,225	7,100	7,886	8,424	9,432
% of Students from Low-Income Families [1]	17	23	38	80	94
Total E & G Expenditures	315,502	379,777	672,865	990,788	1,407,697
E & G Expenditures/FTE	555	973	1,402	2,144	4,001
Volumes in Library	5,510	18,893	21,179	29,239	40,418

4-Year Public

	5%	25%	50%	75%	95%
FTE Enrollment	672	1,702	2,372	3,224	5,290
% of Faculty w/PhD	20	28	32	38	95
Average Salary/Professor	11,460	14,040	15,467	16,315	17,888
Average Salary/Instruc	8,090	8,696	8,905	9,485	10,840
% of Students from Low-Income Families [1]	15	42	63	79	95
Total E & G Expenditures	983,633	2,916,696	3,917,770	5,395,140	10,280,000
E & G Expenditures/FTE	1,101	1,617	1,863	2,402	3,183
Volumes in Library	45,000	75,233	95,000	120,430	242,191

4-Year Private

	5%	25%	50%	75%	95%
FTE Enrollment	346	552	704	1,027	1,865
% of Faculty w/Ph.D	12	24	31	40	49
Average Salary/Professor	9,750	12,000	12,854	13,802	15,840
Average Salary/Instruc	6,883	7,650	8,330	8,871	9,470
% of Students from Low-Income Families [1]	10	24	44	77	94
Total E & G Expenditures	801,880	1,108,871	1,590,827	2,140,888	3,987,714
E & G Expenditures/FTE	1,040	1,820	2,186	2,590	3,746
Volumes in Library	27,500	48,000	57,530	69,000	96,768

[1] For purposes of this subpart a low-income family is one whose adjusted family income is less than $7,500. (20 U.S.C. 1052)

§ 169.13 Qualitative factors for identifying developing institutions.

Those institutions which satisfy the requirements set out in § 169.12 will be further assessed on the following qualitative factors which will be used to assess whether the institution meets the conditions set forth in § 169.11(e). These factors will be evaluated over a three year period. Such period will include the academic year in which the institution is seeking recognition as a developing institution and the preceding two academic years.

(a)(1) *Enrollment.* Consideration will be given to the institution's full-time equivalent enrollment, the number of its graduates continuing their education either at a four year institution in the case of a junior or community college, or at a graduate or professional school, the class standing of entering freshmen in their high school graduating class, the percentage of freshmen completing their first year and the percentage of freshmen graduating from the institution. If such enrollment data are in a decline over the three year period the institution must demonstrate that such a decline is not inconsistent with continued institutional viability.

(2) In evaluating an institution pursuant to the criteria discussed in paragraph (a)(1) of this section, the Commissioner will take into consideration whether the institution has adopted an open enrollment admissions policy. As used in this section an open enrollment admissions policy of an institution of higher education means that the institution will admit as regular students all students who apply to that school for admission who have a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate.

(b) *Institution personnel.* An institution will be evaluated with regard to the quality of its personnel in the areas of institutional administration including financial operations, student services, teaching and research. Factors considered in making such an evaluation will include the percentage of professional personnel with advanced degrees and the salary scale of the institution.

(c) *Institution vitality.* An institution will be evaluated in terms of its vitality and viability. Factors considered in such a determination will include its fund raising capability, whether the institution has a planning capability and whether the institution has devised an institutional development plan.

(20 U.S.C. 1052)

§ 169.14 Effect of classification.

(a) Those institutions which meet the quantitative and qualitative criteria set out in §§ 169.12 and 169.13 will be classified as "developing institutions" for the purpose of this part and for the purpose of section 305 of the Act. Applications for grants under this part will be further evaluated on their merits.

(b)(1) section 305 of the Act provides that in the case of any application by a developing institution for assistance under any of the programs specified in subparagraph (2) of this paragraph, the Commissioner is authorized, if such application is otherwise approvable, to waive any requirement for a non-federal share of the cost of the program or project, or, to the extent not inconsistent with other law, to give, or require to be given, priority consideration of the application in relation to applications from institutions which are not developing institutions.

(2) The programs referred to in section 305 of the Act include the College Library Assistance and Library Training and Research Programs (Title II of the Higher Education Act of 1965 (HEA); 45 CFR Parts 131, 132); the Talent Search, Upward Bound, Special Services for Disadvantaged Students and Educational Opportunity Center Programs (Title IV–A–4, HEA; 45 CFR Parts 154, 155); the College Work-Study Program (Title IV–C, HEA; 45 CFR Part 175); the Cooperative Education Program (Title IV–D, HEA); the National Direct Student Loan Program (Title IV–E, HEA; 45 CFR 144); Financial Assistance for Improvement of Undergraduate Institutions (Title VI, HEA; 45 CFR Part 171); and the Construction of Academic Facilities Program (Title VII, HEA; 45 CFR Part 170).

(3) The Commissioner will not waive under this paragraph the non-federal share requirement for any program for application which, if approved, would require the expenditure of more than 10 percent of the appropriations for the program for any fiscal year period.

(c) A reevaluation of an institution's classification as a developing institution will be made periodically.

(20 U.S.C. 1052, 1055)

§ 169.15 Application requirements.

(a) An institution wishing to be designated as a developing institution shall file an application which shall be in such form and contain such information as the Commissioner may from time to time prescribe and shall include:

(1) The signature of the institutional head;

(2) Data describing institutional participation in Federal programs, both education and other, by program title. The institution shall also state the amount of funds it received under each program;

(3) Institutional data described in §§ 169.12 and 169.13; and

(4) An institutional eligibility narrative in which the applicant shall state the reasons it considers itself qualified to be designated as a "developing institution."

(20 U.S.C. 1052)

(b) An institution located on or near an Indian reservation or a substantial numer of Indians which seeks a waiver of the five year requirement of § 169.11 (d) shall demonstrate how such a waiver will increase the opportunity of Indians to obtain the benefits of higher education.

(c) An institution which seeks a waiver of three years of the five year requirement of § 169.11(d) shall demonstrate how such a waiver will substantially increase higher education for Spanish-speaking people.

(20 U.S.C. 1052)

Subpart C—Basic Institutional Development Program

§ 169.21 Program objectives.

The purpose of grants made pursuant to this subpart is to assist in raising the academic quality of developing institutions that show both a desire for and a promise of institutional improvement in order that they may more fully participate in the higher education community. The Basic Institutional Development program attempts to narrow the gap between small, weak colleges and stronger institutions. The principal means for doing so is through cooperative arrangements in which developing institutions may draw upon the talent and experience of assisting institutions of higher education, including other developing institutions, as well as upon business and industry in the area of faculty and curriculum development, administrative improvement and student services. National Teaching Fellows may be requested to release faculty of developing institutions to further their education, and Professors Emeriti may be requested to make special contributions to institutional needs.

(20 U.S.C. 1054)

§ 169.22 Cooperative arrangements.

(a)(1) The Commissioner may award grants to developing institutions to pay part of the costs of planning, developing and carrying out cooperative arrangements between developing institutions, between developing institutions and other institutions of higher education, and between a developing institution and a business entity, an agency or an organization, which show promise as effective measures for strengthening the academic program, administrative capacity, and student services of the developing institutions.

(2) In each cooperative arrangement receiving assistance under this subpart the developing institution shall be the legal recipient of the grant award and shall be legally responsible for administering the program assisted under such grant.

(b) The types of cooperative arrangements that will be funded include bilateral and consortium arrangements.

(1) *Bilateral arrangement.* A bilateral arrangement is an arrangement between the applicant developing institution and another institution of higher education or an agency, organization, or business entity under which the latter will provide assistance and resources to the developing institution to carry out activities described in § 169.23.

(2) *Consortium arrangement.* A consortium arrangement is an arrangement between the applicant developing institution and at least two other developing institutions which provides for the exchange or joint use of resources to the mutual benefit of all the participants. Such a consortium of developing institutions may also enter into arrangements with institutions of higher education and other agencies, organizations, or business entities for the latter to assist the developing institution in carrying out the activities described in § 169.23.

(20 U.S.C. 1054)

§ 169.23 Grant activities.

(a) The type of activities that may be funded under cooperative arrangements include such activities as:

(1) The exchange of faculty and students with other institutions of higher education;

(2) Arrangements for bringing visiting scholars to developing institutions;

(3) Faculty and administrative staff improvement programs such as internships (including internships for administrative staff), attendance at short term institutes, advanced study including stipends of up to $4,000, and participation in research projects;

(4) The introduction of new curricula and curricular materials;

(5) The development and operation of cooperative education programs involving alternate periods of academic study and business or public employment;

(6) The joint use of facilities such as libraries and laboratories, as well as the purchase of necessary books, materials, and equipment;

(7) The obtaining of specialized personnel for developing institutions in such areas as media, reading, computers, institutional research and management; and

(8) Faculty and salary supplements for a faculty member who is engaged in a special project or activity for the benefit of the developing institution. Such request must be carefully documented and such salary supplements will generally be limited to three (3) years.

(20 U.S.C. 1054)

§ 169.24 National Teaching Fellowships.

(a) The Commissioner may grant funds to developing institutions, independently or in conjunction with the funding of a cooperative arrangement, for the purpose of awarding National Teaching Fellowships.

(b) National Teaching Fellowships may be awarded by a developing institution to junior faculty members of in-

stitutions of higher education other than developing institutions and graduate students who have completed all requirements for a masters degree in the institution in which they are enrolled or who possess the equivalent of a masters degree in related professional experience, whose training and experience will serve the needs of the developing institution.

(c) National Teaching Fellows may be used by the developing institution to:

(1) Assist, through full-time teaching, in the implementation of a cooperative arrangement;

(2) Replace temporarily a regular teaching faculty member and release the faculty member for further training or advanced study; or

(3) Strengthen an understaffed academic program.

(d) Each National Teaching Fellowship shall include a stipend for each academic year of teaching in an amount not to exceed $7,500 plus an allowance of $400 for each dependent of the Fellow. The developing institution may supplement the stipend paid to the National Teaching Fellow, but such increase may not be paid from funds received under this part.

(e) The period of a National Teaching Fellowship may not exceed two academic years.

(f) A National Teaching Fellow may not engage in advanced study that is inconsistent with the Fellow's duties as a full-time faculty member.

(20 U.S.C. 1054)

§ 169.25 Professor Emeritus Grants.

(a) The Commissioner may grant funds to developing institutions either independently of or in conjunction with the funding of a cooperative arrangement to permit such institutions to award Professors Emeritus Grants. Such grants may be awarded to professors or to other skilled higher education personnel who have retired from active service at institutions of higher education other than the developing institution awarding the grant. The Commissioner will award such funds only if he determines that the program of teaching or research for which a Professor Emeritus Grant is requested meets the educational needs of the applicant institution and is reasonable in light of the specific competence(s) of the Professor Emeritus.

(b) A Professor Emeritus may be used by the developing institution to:

(1) Assist, through full-time teaching, in the implementation of a cooperative arrangement;

(2) Replace temporarily a regular teaching faculty member and release the faculty member for further training or advanced study;

(3) Provide specialized competence in a particular area that will serve the needs of the developing institution;

(4) Assist in new programs;

(5) Conduct institutional research or research connected with the development of the institution; or

(6) Strengthen an understaffed academic program.

(c) A Professor Emeritus Grant shall include a stipend for each academic year of teaching or research. The stipend shall not exceed the salary of a comparable staff member of the developing institution and shall take into consideration the retirement benefits being received by the Professor Emeritus. The institution may supplement the stipend of the Professor Emeritus but such increase may not be paid with funds received under this part. Funds may also be awarded to the developing institution for the payment of travel and moving expenses, housing and fringe benefits for Professors Emeritus. Professors Emeritus shall be hired on a semester (or equivalent) or on an annual basis.

(d) The period of a Professor Emeritus Grant may not exceed two academic years unless it is determined by the Commissioner upon the advice of the Advisory Council described in § 169.3 that the additional period is necessary to fully complete the program objective for which the Professor Emeritus was originally requested.

(20 U.S.C. 1054)

§ 169.26 Application requirements.

(a) Each application for assistance under this subpart shall include:

(1) A statement that the institution has been designated by the Commissioner as a developing institution, or if not so designated, a request for such a designation in accordance with Subpart B of this part;

(2) The signature of the institutional head;

(3) The total amount of funds requested for each year in the case of multi-year requests;

(4) The number of cooperative arrangements requested;

(5) The name of each such arrangement;

(6) A listing of such arrangements in order of the applicant institution's priority;

(7) A listing of each institution of higher education, agency, organization, and/or business entity from which the applicant developing institution expects to draw resources;

(8) A program budget; in the case of a proposed multi-year project the initial year budget;

(9) A narrative indicating an overview of the institution's involvement in activities supported under this part. This narrative shall also describe the objectives of the institution's proposed program and explain the relationship between the proposed programs and the overall planned development of the institution;

(10) A program narrative which shall contain a concise description of each program to be undertaken in a cooperative arrangement including the nature and extent of the activities planned as well as the program's expected specific impact (including quantitative results expected) on those institution(s) participating in the program. If National Teaching Fellowships or Professors Emeritus are requested, the program narrative should explain specifically the institution's need for such personnel support;

(11) Letters of commitment from each institution, agency, organization, or business entity, signed by the president of such institution or agency and addressed to the coordinator of the cooperative arrangement. The coordinator shall be responsible for submitting copies of these letters as a part of the complete proposal. These letters shall be used to demonstrate that:

(i) The proposal as submitted accurately reflects the terms of the cooperative arrangement,

(ii) The budget is correctly represented and includes, where appropriate, the dollar value of service or contribution offered by the assisting institution or agency, and

(iii) The institution or agency will carry out its part of the program(s), if the application for Federal funds is approved;

(12) Procedures for the administration of each program as will insure the proper and efficient operation of the program and the accomplishment of the purposes of this subpart;

(13) Procedures as will insure that Federal funds made available under this subpart for any fiscal year will be so used as to supplement and, to the extent practical, increase the level of funds that would, in the absence of such Federal funds be made available for purposes of this subpart, and in no case supplant such funds;

(14) Procedures for the evaluation of the effectiveness of the project or activity in accomplishing its purpose;

(15) Such fiscal control and fund accounting procedures as may be necessary to insure proper disbursement of and accounting for funds made available under this subpart to the applicant; and

(16) Such reports, in such form and containing such information as the Commissioner may require to carry out his functions under this subpart and procedures for keeping such records and affording such access thereto, as he may find necessary to assure correctness and verification of such reports.

(b) The Commissioner will from time to time establish cut off dates for the filing of applications under this subpart.

(20 U.S.C. 1054)

§ 169.27 Multi-year grants.

Multi-year grants may be awarded to developing institutions to provide up to three years of support for the development and implementation of cooperative arrangements. The continued funding of these projects will be contingent upon the continued eligibility of the applicant institution(s), institutional progress, and the availability of Federal funds

(20 U.S.C. 1054)

§ 169.28 Evaluation and award procedures.

(a) *Evaluation criteria.* In addition to evaluation on the basis of criteria set forth in § 100.26(b) of this chapter, the Commissioner will evaluate requests for

program support under this subpart in accordance with the following criteria:

(1) The program demonstrates a major focus on providing a successful educational experience for low-income students;

(2) The program demonstrates promise for moving colleges into the mainstream of higher education as a result of careful long-range planning and substantial improvements in the area of development and management;

(3) The program demonstrates coordination with other Federal, State, and local efforts to produce a maximum impact on the needs of developing institutions;

(4) With regard to junior and community colleges that the program demonstrates that it serves the needs of students in urban areas; and

(5) The program demonstrates good communication between faculty, students, administration, and, where appropriate, local communities in its planning and implementation.

(b) *Evaluation procedure.* Each application for support under this subpart will be reviewed and evaluated by a panel of experts who will advise the Commissioner with respect to funding such applications. The final funding decision shall rest with the Commissioner. When proposals appear equal in merit, consideration will be given to such factors as geographic location, type of program, and national educational needs served.

(20 U.S.C. 1054)

§ 169.29 Allowable costs.

(a) The Commissioner will pay part of the costs that are reasonably related to the development and implementation of cooperative arrangements and the entire cost of National Teaching Fellowships and Professor Emeritus Grants, except that, notwithstanding § 100a.82 of this chapter, indirect costs shall not be charged against the grant.

(b) The purchase of equipment will be limited to equipment that is necessary to achieve specific program objectives.

(20 U.S.C. 1054)

Subpart D—Advanced Institutional Development Program

§ 169.31 Scope and purpose of the advanced institutional development program.

The Commissioner will make grants to selected developing institutions adjudged to have the potential for accelerated institutional development to expedite the institution's progress towards achieving both operational and fiscal stability and participation in the mainstream of American higher education.

(20 U.S.C. 1054)

§ 169.32 Cooperative arrangements.

The Commissioner will award grants to selected developing institutions of higher education to pay part of the cost of planning, developing, and carrying out cooperative arrangements, as described in § 169.22, between developing institutions and other institutions of higher education and between developing institutions and other agencies, organizations and business entities which show promise as effective measures for strengthening the academic program and administrative capacity of the grantee institution. Such grants may be used for curriculum development compatible with changing societal needs, student services including academic and career counseling, and faculty and administrative improvement programs.

(20 U.S.C. 1054)

§ 169.33 Allowable activities.

The type of activities that may be funded include such activities as:

(a) New programs which seek to serve the educational needs of low-income students by providing them with the background required to obtain employment with upward mobility, which seek to move them into professional areas where low-income students are underrepresented, or which equip them to gain admittance to graduate schools;

(b) Programs or projects which allow the institution to structure or restructure itself so that it may relate more directly to emerging professional or career fields; and

(c) Curriculum development.

(20 U.S.C. 1054)

§ 169.34 Institutional plan.

(a) An applicant shall submit with its application an outline of a long range (5 year) plan which shall be in such form and contain such information as the Commissioner may from time to time prescribe but shall include:

(1) The planned institutional programs including:

(i) a description of the program objectives or intended program changes,

(ii) a description of the specific activities or projects for which funds are requested, and

(iii) a description of proposed cooperative arrangements;

(2) The budget for the program and the proposed allocation of funds to each activity or project;

(3) A statement of institutional development goals, describing the planned impact of the funded program upon the institution;

(4) A general strategy for replacing funds awarded under this subpart by the end of the grant period;

(5) A description of steps to be taken, if any, to develop the institutional planning and management capability by the end of the grant period;

(6) A plan for evaluating the progress made by the institution in meeting its goals and objectives including the replacement of grant funds and the development of a management capability if such latter activity is proposed.

(b) The final plan shall be submitted to the Commissioner for approval at such time as the Commissioner may prescribe. Such plan must be approved by the chief administrative officer of the institution, with the concurrence of the governing board of the institution.

(c) The Commissioner will approve a grantee's institutional development plan if (1) the plan provides in sufficient detail the information and procedures originally required in outline form in paragraph (a) of this section and required in § 169.36(a) (8) through (13), (2) the goals of the plan are realistic in terms of the size of the institution's grant award, and (3) the cooperative arrangements and other proposed activities are of sufficient quality to achieve such goals.

(d) All components of the long range plan submitted pursuant to paragraph (a) of this section shall be revised periodically to reflect future program considerations. Significant changes shall become part of the plan upon approval of the Commissioner.

(20 U.S.C. 1054)

§ 169.35 Program priorities.

In selecting grantees under § 169.37 the Commissioner will give preferential consideration to those applicants whose proposed programs are likely to best carry out one or more of the following objectives:

(a) The provision of training in professional and career fields in which previous graduates of developing institutions are severely underrepresented;

(b) The addition of substantial numbers of graduates of developing institutions prepared for emerging employment and graduate study opportunities;

(c) The development of more relevant approaches to learning by utilizing new configurations of existing curricula as well as a variety of teaching strategies;

(d) The development of new or more flexible administrative styles; and

(e) The improvement of methods of institutional effectiveness so as to increase the fiscal and operational stability of the institution and improve its academic quality.

(20 U.S.C. 1054)

§ 169.36 Application requirements.

(a) Each application for assistance under this subpart shall be in such form and contain such information as the Commissioner may from time to time prescribe but shall include:

(1) A statement that the institution has been designated by the Commissioner as a developing institution, or if not so designated, a request for such a designation in accordance with subpart B of this part;

(2) A statement of institutional objectives which take into account the history, development, and continuing or proposed future role of the college. Such a statement shall be based upon the following information, if available:

(i) A description of the local, regional or national geographic area which the institution plans to serve,

(ii) State or regional manpower data including any reports relevant to an assessment of projected employment opportunities for graduates,

(iii) Data on the characteristics of students currently admitted to the in-

stitution including geographical origins, enrollment by sex, aptitude test score distributions at time of admittance, distribution of enrollment by curricular area, enrollment by major field, indications of career goals, and

(iv) Follow up data on graduates, including job placements, location and nature of employment, institutions attended for further study, and fields of further study;

(3) The outline for the long range plan described in § 169.34;

(4) Data on student enrollment and student characteristics including trend data;

(5) Faculty characteristics and trends;

(6) Institutional financial data and projections;

(7) Curriculum range;

(8) Such other information as is requested by § 169.37;

(9) Procedures for the administration of the program to insure the proper and efficient operation of the program and the accomplishment of the purposes of this subpart;

(10) Procedures to insure the Federal funds made available under this subpart for any fiscal year shall be so used as to supplement, and to the extent practical, increase the level of funds that would, in the absence of such Federal funds, be made available for these programs and in no case supplant such funds;

(11) Procedures for the evaluation of the effectiveness of the project or activity in accomplishing its purpose;

(12) Provision for such fiscal control and fund accounting procedures as may be necessary to insure proper disbursement of and accounting for funds made available under this subpart; and

(13) Provision for making such reports as the Commissioner may require to carry out his functions and for keeping such records and affording such access thereto as he may find necessary to assure the correctness and verification of such reports.

(b) The Commissioner will from time to time establish cut off dates for the filing of applications for assistance under this subpart.

(20 U.S.C. 1054)

§ 169.37 Grantee selection.

Notwithstanding § 100a.26(b) of this chapter, institutions will be selected for grants under this subpart as follows:

(a) Initially applicant institutions will be assessed in relation to other developing institutions with regard to those quantitative and qualitative characteristics which are indicative of institutional, academic, and financial strength. Such characteristics include:

(1) The institution's enrollment and the trend of enrollment;

(2) The institution's full-time faculty in terms of size, faculty-student ratio, and academic qualifications;

(3) The institution's present and projected financial position with respect to

(i) Total income,

(ii) Income sources and the amount received from each source,

(iii) Expenditure per full-time equivalent student,

(iv) Rate of growth of income, and

(v) Endowment and gifts as a total amount and as a percentage of income,

(4) The ability of the institution to attract and hold qualified students, as indicated by such factors as:

(i) The percentage of freshmen students who graduate,

(ii) The percentage of graduates accepted to institutions offering bachelor degrees (for junior and community colleges), and graduate, or professional schools,

(iii) The percentage of graduating class gainfully employed;

(5) The ability of the institution to attract qualified faculty; and

(6) The institution's past success in and present capability for formulating and using a plan for the allocation of resources in light of its stated goals and priorities.

(b) Those applicant institutions determined under paragraph (a) of this section to have the greatest comparative degree of financial, academic, and institutional strength will be further assessed in light of the programs priorities reflected in § 169.35 and on the relationship between the type of program proposed by the institution and the financial, academic, and other characteristics of the institution.

(c) In making the assessments required by paragraph (b) of this section the Commissioner will review the information contained in the institution's application and may in addition make site visits to such institutions.

(20 U.S.C. 1054)

§ 169.38 Allowable costs.

(a) The Commissioner will pay part of the cost of developing and implementing a long-range plan for accelerated institutional development except that costs for the implementation of such a plan are allowable only to the extent that they are incurred after that plan has been approved by the Commissioner. However, notwithstanding § 100a.82 of this chapter, indirect costs shall not be charged against the grant.

(b) The institution may not expend more than 10 percent of grant funds for the development or improvement of a planning, management, and evaluation capability.

(c) Purchase of equipment is allowed only if such equipment is necessary to achieve the program objectives.

(20 U.S.C. 1054)

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